COTTONWOOD HEIGHTS (CITY), UTAH
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022

Cottonwood Heights

City between the canyons

Cottonwood Heights (City), Utah
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2022
With
Independent Auditor's Report

Prepared by

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

COTTONWOOD HEIGHTS (CITY), UTAH
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cottonwood Heights
Utah

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

Mayor
Mike Weichers
City Council
Douglas Petersen (1)
Scott Bracken (2)
Shawn Newell (3)
Ellen Birrell (4)
City Manager
B. Tim Tingey

December 13, 2022

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

Overview
It is our great pleasure to present the Annual Comprehensive Financial Report (ACFR) for the City of Cottonwood Heights (the City) for the fiscal year ended June 30, 2022.

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 ACFR of Cottonwood Heights for the fiscal year ended June 30, 2022.

This report consists of management's representations concerning Cottonwood Heights' finances. 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, Cottonwood Heights management has established a comprehensive internal control framework designed both to protect the government's assets from loss, theft or misuse and to compile sufficient, reliable information to prepare Cottonwood Height's financial statements and conform with generally accepted accounting principles. Since internal control costs should not outweigh their benefits, the City's internal controls framework 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 financial statement's amounts and disclosures, assessing the accounting principles used and significant estimates management made, and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first financial section component of this report.

Generally accepted accounting principles require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the Management's Discussion and Analysis (MD&A) form. 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 independent auditors' report.

Cottonwood Heights Profile

Cottonwood Heights was incorporated on January 14, 2005, out of the southeastern area of unincorporated Salt Lake County. The current population is estimated at 33,617 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 and preserving 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, with 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 residents' needs and promote the attractive community image and appearance. These businesses support the City's general income and prosperity, strengthen existing business centers, and complement the City's location as the gateway to the canyons.

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. The mayor and council are responsible for policy-making and legislative authority, and the city manager executes and administers policies and ordinances. The mayor and council serve part time, while the city manager serves full time.

Local economy

Despite the City's relatively small size, Cottonwood Heights has 3.1 million feet of premium high-rise office space (see table below.) The City is home to several corporate leaders, such as JetBlue Airways, Instructure, Cambia Health Solutions, Extra Space Storage, Master Control, 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 58 percent of the total office space available. Union Park has quality Class B office space and offers 38 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, 2022**			
	Class A	Class B	Class C
Total SF	1,865,126	1,217,191	115,318
% of Total SF	58.3%	38.1%	3.6%
Average Building SF	133,223	71,599	28,830
Number of Properties	14	17	4
Average Vacancy	11.0%	18.0%	10.5%
Average Lease($/SF)	$32.94	$28.08	$15.50
Source: City Community and Economic Development Department from CBRE SLC Research			

COVID-19

Leaders initially thought 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 an issue of concern, from a financial perspective our sales tax collections have been strong. 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 was hit particularly hard, 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 and 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 City's inception, been identified in the City's 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, and quarry operations are expected to cease in about 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 not being currently met in the City. This landmark property is not only vital to Cottonwood Heights but is 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 operated for the past six years. During that time, employees have focused on providing high-quality public services to residents, local businesses, and other city departments 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 staff training. Public Works staff is responsible for maintaining the City rights-of-way through snow plowing, tree trimming, street sweeping, storm drain maintenance, street repairs, construction, and engineering.

This past year, the Public Works team completed approximately 248,066 square feet of road reconstruction and surface treatments, with more to come in the spring and summer of 2023. Maintaining these roads saves the City money in the long term by delaying future road reconstruction projects. The major road project this fiscal year was a major rebuild of Scottish Drive. This summer, work will commence on many neighborhood streets as part of implementing the 5-year maintenance plan. The Public Works department 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, street and infrastructure construction and maintenance, planning and zoning, community and economic development, recreational and cultural activities, justice court and animal services. These services are funded primarily from Cottonwood Heights' residents' taxes.

Other entities have contractual arrangements to provide City 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 streetlight 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** repairs and maintains City fire hydrants.
- The City contracts with the law firm Topham Legal for legal services. **W. Shane Topham** functions as the City's sworn attorney;
- The City contracts with the engineering firm **Sunrise Engineering, Inc**. for building services in connection with building and other real property development, and a staff member serves as the city building official.

Municipal services Cottonwood Heights does not provide

Salt Lake County and some special service districts provide some services a municipality typically provides. Cottonwood Heights residents pay for these services and receive them directly from the entities listed below:

- **Salt Lake City Public Utilities Department** provides water treatment and distribution;
- **Jordan Valley Water Conservancy District** provides water distribution services to some City areas 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 City areas;
- **Cottonwood Heights Parks and Recreation Service Area** serves some property owners in Cottonwood Heights, who pay a dedicated property tax to support recreational facilities, including the Cottonwood Heights Recreation Center at 7500 S 2700 E;
- **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 $7,928,296 to $9,327,093, which is 36 percent of the budgeted revenues for the 2023 fiscal year. The fund balance increase was due to a variety of factors, including: (1) Sales tax collections over budget of $1,555,627, (2) State Legislative Roads Grant of $400,000, (3) Non-salary expenses below budget by $231,698, (4) Wages and benefits expenditures below budget by $698,345. It was initially thought sales tax revenues would still be negatively impacted by the pandemic, but collections were strong throughout the year and only the last month's collections were slightly negative. The year ended with strong collections with an annual collection of 21.6% over budget.

As a City without significant new development, very little revenue growth (1.2%) is realized from property taxes. Both sales tax revenues and energy sales and use taxes increased 11 percent year over year.

Expenditures over the last five years have decreased from $29,690,187 to $25,562,383. Included in the current year's expenditures are $1,135,375 in debt service for the 2014 and 2016 sales tax revenue bonds. These costs were offset to a degree by eliminating the amount previously paid to lease office space. By general fund departments, over the last five years expenditures increased $342,580 in general government, $1,920,420 in public safety (fire, code enforcement and police), and $1,224,227 in public works, and have been reduced by $352,911 in community development.

To maintain proper management and control of taxpayer funds, Cottonwood Heights has adopted a comprehensive set of financial policies that cover 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

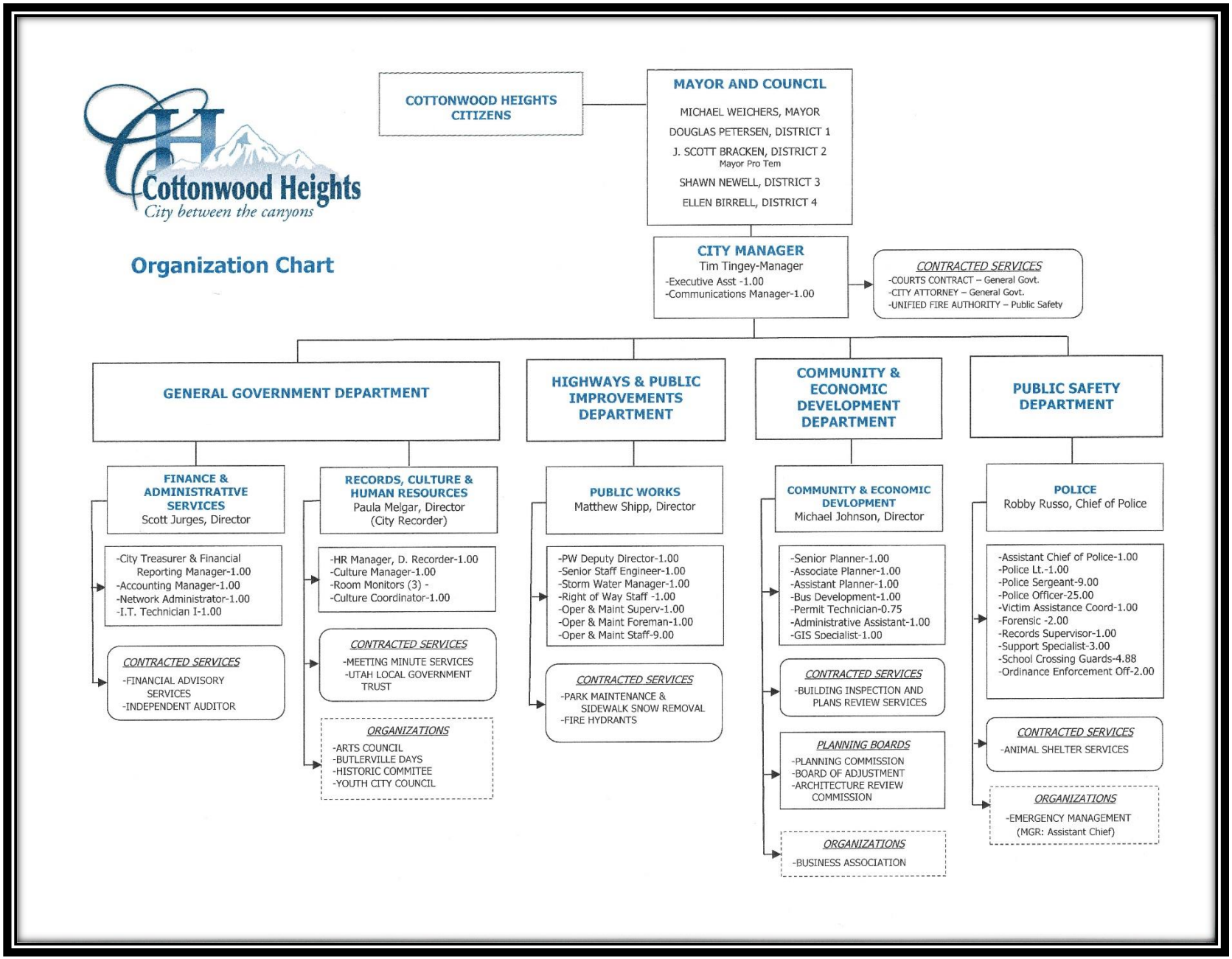
The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to an entity for its Annual Comprehensive Financial Report (ACFR) for a fiscal year period. To receive a Certificate of Achievement, the government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

This is the 11th year the City will complete and submit the ACFR to the GFOA to determine its eligibility for the Certificate of Achievement for Excellence in Financial Reporting. The award was presented for FY 2021 to David Muir, City Treasurer/Financial Reporting Manager, recognizing him as being primarily responsible for preparing an award-winning ACFR. It is valid for one year only. We believe our current ACFR meets the Certificate of Achievement for Excellence in Financial Reporting requirements.

The city could not prepare this report without David Muir, City Treasurer and Financial Reporting Manager, who dedicated time and accounting and financial reporting expertise. 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 City's financial operations in a responsible and progressive manner.

Scott Jurges
Finance and Administrative
Services Director

B Tim Tingey
City Manager


Cottonwood Heights
City between the canyons
Organization Chart
COTTONWOOD HEIGHTS CITIZENS
MAYOR AND COUNCIL
MICHAEL WEICHERS, MAYOR
DOUGLAS PETERSEN, DISTRICT 1
J. SCOTT BRACKEN, DISTRICT 2
Mayor Pro Tem
SHAWN NEWELL, DISTRICT 3
ELLEN BIRRELL, DISTRICT 4
CITY MANAGER
Tim Tingey-Manager
-Executive Asst -1.00
-Communications Manager-1.00
CONTRACTED SERVICES
-COURTS CONTRACT – General Govt.
-CITY ATTORNEY – General Govt.
-UNIFIED FIRE AUTHORITY – Public Safety
GENERAL GOVERNMENT DEPARTMENT
HIGHWAYS & PUBLIC IMPROVEMENTS DEPARTMENT
COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT
PUBLIC SAFETY DEPARTMENT
FINANCE & ADMINISTRATIVE SERVICES
Scott Jurges, Director
-City Treasurer & Financial Reporting Manager-1.00
-Accounting Manager-1.00
-Network Administrator-1.00
-I.T. Technician I-1.00
CONTRACTED SERVICES
-FINANCIAL ADVISORY SERVICES
-INDEPENDENT AUDITOR
RECORDS, CULTURE & HUMAN RESOURCES
Paula Melgar, Director
(City Recorder)
-HR Manager, D. Recorder-1.00
-Culture Manager-1.00
-Room Monitors (3) -
-Culture Coordinator-1.00
CONTRACTED SERVICES
-MEETING MINUTE SERVICES
-UTAH LOCAL GOVERNMENT TRUST
ORGANIZATIONS
-ARTS COUNCIL
-BUTLERVILLE DAYS
-HISTORIC COMMITEE
-YOUTH CITY COUNCIL
PUBLIC WORKS
Matthew Shipp, Director
-PW Deputy Director-1.00
-Senior Staff Engineer-1.00
-Storm Water Manager-1.00
-Right of Way Staff -1.00
-Oper & Maint Superv-1.00
-Oper & Maint Foreman-1.00
-Oper & Maint Staff-9.00
CONTRACTED SERVICES
-PARK MAINTENANCE & SIDEWALK SNOW REMOVAL
-FIRE HYDRANTS
COMMUNITY & ECONOMIC DEVLOPMENT
Michael Johnson, Director
-Senior Planner-1.00
-Associate Planner-1.00
-Assistant Planner-1.00
-Bus Development-1.00
-Permit Technician-0.75
-Administrative Assistant-1.00
-GIS Specialist-1.00
CONTRACTED SERVICES
-BUILDING INSPECTION AND PLANS REVIEW SERVICES
PLANNING BOARDS
-PLANNING COMMISSION
-BOARD OF ADJUSTMENT
-ARCHITECTURE REVIEW COMMISSION
ORGANIZATIONS
-BUSINESS ASSOCIATION
POLICE
Robby Russo, Chief of Police
-Assistant Chief of Police-1.00
-Police Lt.-1.00
-Police Sergeant-9.00
-Police Officer-25.00
-Victim Assistance Coord-1.00
-Forensic -2.00
-Records Supervisor-1.00
-Support Specialist-3.00
-School Crossing Guards-4.88
-Ordinance Enforcement Off-2.00
CONTRACTED SERVICES
-ANIMAL SHELTER SERVICES
ORGANIZATIONS
-EMERGENCY MANAGEMENT
(MGR: Assistant Chief)

Larson
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cottonwood Heights, Utah as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Cottonwood Heights, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year ended June 30, 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cottonwood Heights's internal control. Accordingly, no such opinion is expressed.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cottonwood Heights's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and schedule of expenditures of federal award as required by *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information Included in the Annual Report

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
December 12, 2022

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, 2022. 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 $37,325,306, of which $15,311,750 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.)
  - $9,327,244 fund balance in the General Fund ($9,302,192 is unrestricted).
  - $11,676,073 fund balance in the Capital Projects Fund. Of this balance, $8,190,131 is restricted as bond proceeds in trust for a new construction bond for a public works facility and other debt service and funds collected as impact fees. The balance of $3,485,943 is assigned to be used for capital projects.
  - $13,644,069 fund balance exists in the Debt Service Fund. This includes $13,642,237 held in trust for a refunding of the 2014 Bond and 2016 Bond.
  - $1,520,479 fund balance in the Community Development Renewal Agency Fund (CDRA) which is assigned to the specified redevelopment area. A significant amount 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.
  - $1,147,442 fund balance in the Storm Water Fund that maintains the storm water infrastructure throughout the City.
- In fiscal year 2022, the City's total net position from governmental activities increased by $3,811,675 to $59,746,255. Total assets increased by $26,036,234, net of depreciation, and liabilities and deferred inflows or outflows of resources resulting in the net position increase of $3,811,675 from operations. See page 15 "City's Government-wide Financial Analysis" for more details.
- Total net position of $59,746,255 consists of the amounts below:
  1. $44,244,847 in capital assets, such as streets, bridges, land, buildings and other infrastructure, net of related debt and depreciation.
  2. Unrestricted net position of $7,156,973. "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 $7,984,904, Canyon Centre Park funds of $154,305 and Impact Fees of $205,233.
- The City continues to used direct purchase financing of 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 direct purchase financing. See pages 16 and 25 for additional information about the City's capital vehicle purchase program.

- The General Fund balance increased by $1,398,947, or 17.6 percent of the prior year's fund balance. The Capital Projects Fund increased by $7,725,307 from last year's ending balance. Funding for capital projects often are provided in a previous year's budget and become part of the beginning Capital Projects fund balance in the next year. This year $7,500,000 public works construction bond is included in the increase.
- The City benefits from both operating grants and operating contributions, and capital grants and capital contributions. As a total of the 2022 budget, these funds accounted for 15 percent of total revenues. Operating grants totaling $3,907,024 are comprised of the City's portion of distributed gas tax revenues as well as other local and legislative grants. Capital grants and contributions are typically associated with one-time projects and totaled $515,687 in FY 2022. Included in these grants was a contribution of $366,181 from Rocky Mountain Power for a solar project at City Hall. 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 thirteenth year, responded to 17,700 calls for service during the year with an average response time for priority-one calls of 3:53 minutes. The department is comprised of 37 sworn officers and 13.88 civilian full-time equivalent staff.
- In addition to numerous street and sidewalk improvement projects, the City completed 501,045 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 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 continues to conduct sustainability planning as one of its core functions.
- 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 "Matilda", the musical had historical attendance and revenue. Grants and ticket sales helps the art council to continuing art programs throughout the year. During this fiscal year the Historic Committee continued an online website to display historical information, photos and oral

interviews. The committee also completed a 12-home intensive level survey, one of these homes has qualified for the national register of historic place nomination, the survey was accomplished by a matching grant from the Utah Historic Preservation.

- The City continues to publish a monthly newsletter that is mailed to over 13,000 households in the city and businesses to improve communications with residents. In addition, the City is working to refine its website to 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 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 fiscal year to re-finance the 2014 and 2016 Sales Tax bonds which were used for building city hall and the general development of the public works yard, as well as a new bond for the development of additional public works facilities and offices.
- 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 - 2022. 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, 2021. This is the tenth 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 annual comprehensive financial report. The City has received this recognition each year it has compiled a ACFR 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, 2021. 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 tenth 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.

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 five major governmental funds (as determined by generally accepted accounting principles), the General Fund, the Debt Service Fund, Community Development Renewal Agency Fund, Storm Water 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.

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 37-64 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 $59,746,255 at the close of fiscal year ended June 30, 2022. 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

	2022	2021
Current and other assets	$ 41,956,720	$ 16,008,037
Capital assets	62,607,266	62,519,716
Total assets	104,563,986	78,527,752
Deferred Pension Contributions	1,577,468	1,614,668
Total deferred outflow of resources	1,577,468	1,614,668
Total assets and deferred outflows	106,141,454	80,142,420
Current and other liabilities	2,720,632	1,906,887
Long-term liabilities outstanding	39,848,384	20,157,808
Total liabilities	42,569,016	22,064,695
Deferred uncollected property taxes	142,160	147,571
Deferred property tax revenue	413,871	428,450
Deferred pension inflows	3,270,152	1,567,125
Total deferred inflows of resources	3,826,183	2,143,146
Net position:		
Net investment in capital assets	44,244,847	44,093,202
Restricted	8,344,435	1,113,981
Unrestricted	7,156,973	10,727,397
Total net position	$ 59,746,255	$ 55,934,580

Assets

The largest portion of Cottonwood Heights' net position, $44,244,847 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 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 $8,344,435 includes $7,984,907 restricted for both the payment of bond debt and for bonding of new construction. Additionally, unspent impact fee funds of $205,223 and $154,305 of CDRA funds reserved for the Canyon Centre Park development which reduces the City's unrestricted net position. The remaining balance is unrestricted net position totaling $7,156,973 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 2022 year-end total principal balances on these sales tax bonds are $14,295,000 with accrued interest of $308,350. These two original Sales Tax Revenue bonds are being refunded by with a $14,171,000 Sales Tax Revenue refunding bond being held in escrow that will contribute to original principal and interest payments of the 2014 & 2016 series bonds until fully implemented by fiscal year 2025. At year-end, the City also issued a new Sales Tax Revenue bond of $7,500,000 for development of a public works facility and office.

The City direct purchase financing of vehicles for both public safety and public works purposes with total principal balances totaling $3,042,253 as of June 30, 2022. The principal balance of the public safety vehicles portion is $1,663,144. Cottonwood Heights regularly deploys public safety vehicles with a two-year rotation, which includes a guaranteed buy-back with the original dealership. At the end of the two-year purchase, the dealer repurchases the vehicles for a previously agreed amount, usually clearing the remaining balance of the obligation in full.

The City entered into two direct purchase financing for the public works equipment to be used for snow removal, street repair, and infrastructure maintenance. The principal balance of these purchases as of June 30, 2022 is $1,379,109. Upon the completion of the financing, the City will own the related public works equipment. The 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 pages 51-52.

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

Governmental activities analysis

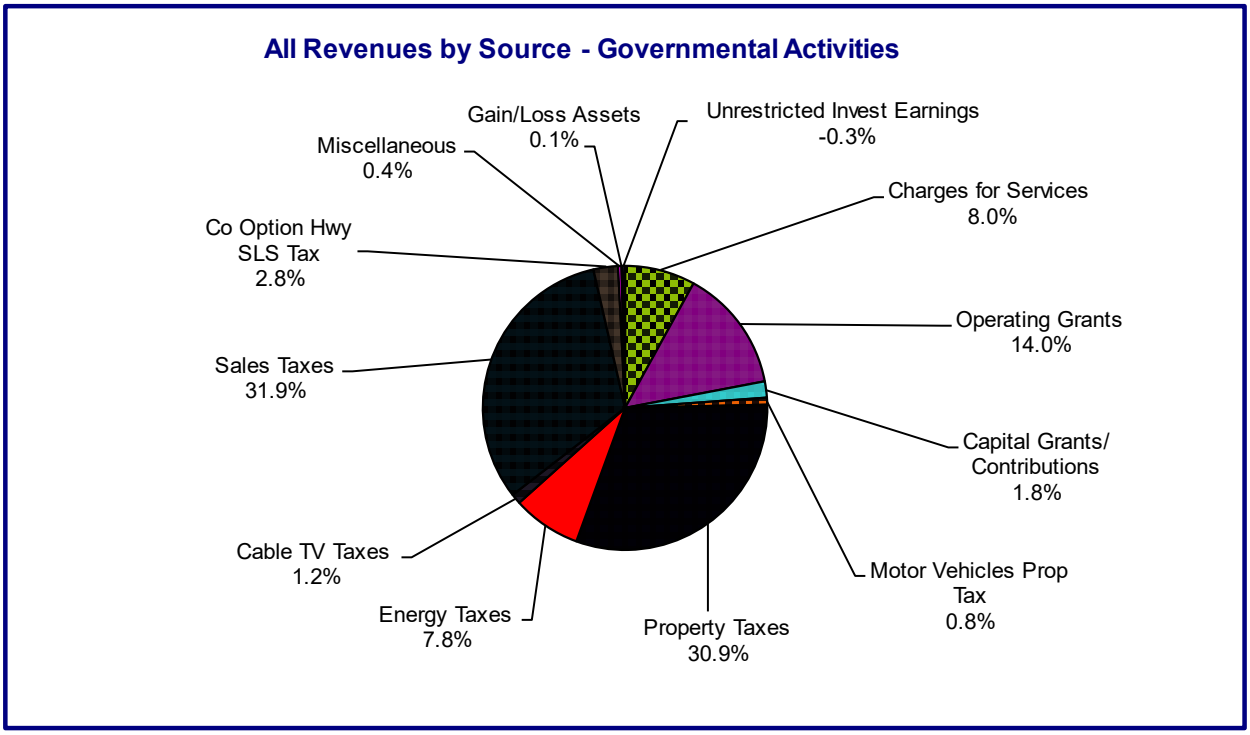
As reported above, governmental activities increased the City's net position by $3,811,675 resulting in a total net position of $59,746,255. The table below provides a yearly comparative

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
Changes in Net Position

	Governmental Activities	
	FY 2022	FY 2021
Revenues:		
Program revenues:		
Charges for services	$ 2,229,957	$ 1,266,438
Operating grants/contrib	3,907,024	2,742,973
Capital grants/contrib	515,687	1,933,615
Total program revenues	6,652,668	5,943,026
General revenues:		
Property taxes	8,848,940	8,345,776
Sales & hotel taxes	8,900,327	7,974,169
Opt Hwy/Trans Sales Tax	779,546	620,895
Municipal energy taxes	2,173,596	2,125,352
Franchise taxes	322,531	313,787
Unrestricted invest earn	(73,828)	39,179
Other – Gain (Loss) on surplus	39,800	602,152
Other – Miscellaneous	105,685	58,904
Total general revenues	21,096,597	20,080,214
Total revenues	27,749,265	26,023,240
Expenses:		
General government	3,536,712	3,201,256
Public safety	10,184,531	9,773,560
Highways-public imprv	8,296,306	8,322,471
Comm & econ dev	975,144	965,239
Interest long-term debt	944,897	607,188
Total expenses	23,937,590	22,869,714
Change in net position	3,811,675	3,153,526
Net position – beginning	55,934,580	52,781,054
Net position – ending	$ 59,746,255	$ 55,934,580

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 2022 year.



Current year revenue sources were from:

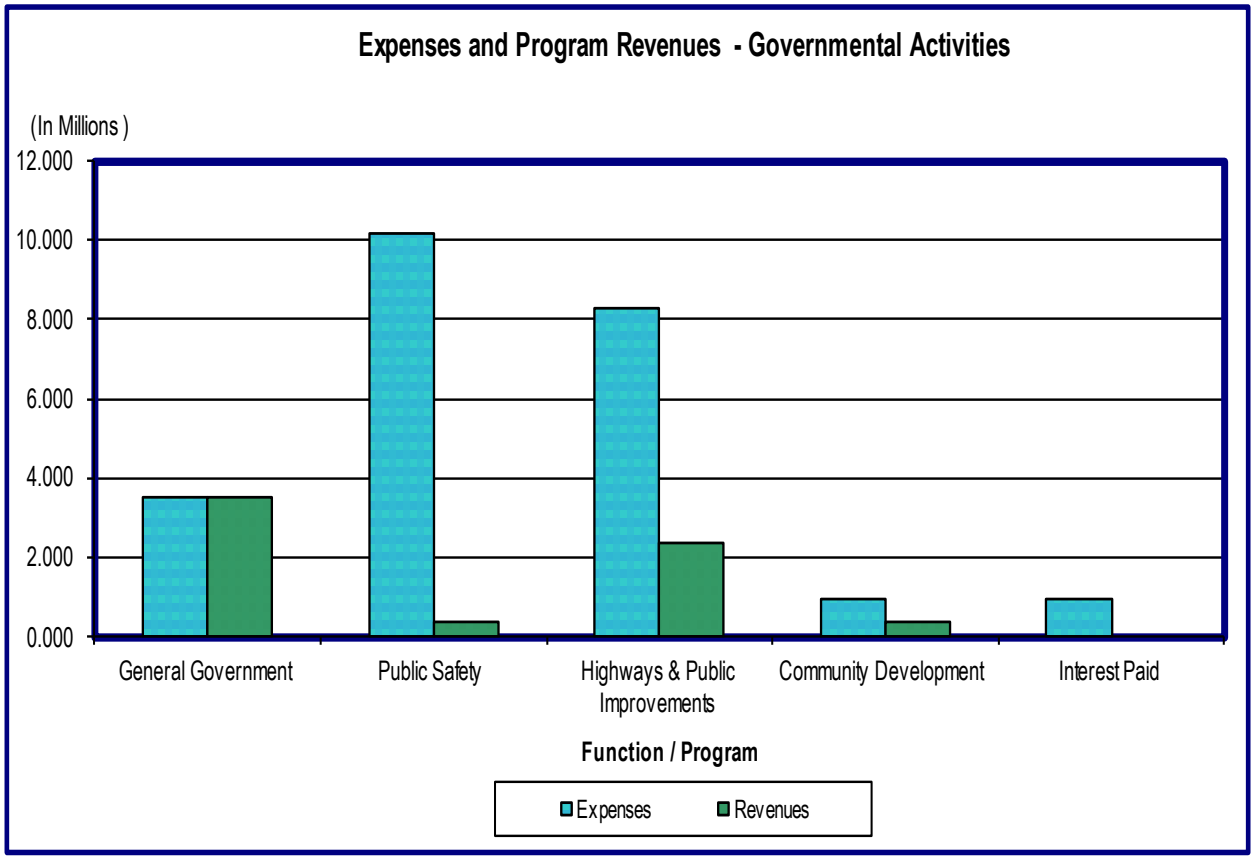
$8,626,664	Property Tax revenues 31.1%)
$ 222,276	Motor Vehicle Fee In-Lieu (0.8%)
$8,900,327	Sales and Transient Room Taxes (32.1%)
$ 779,546	Optional Highway/Transporation Sales Tax (2.8%)
$2,173,596	Municipal Energy Use Taxes (7.8%)
$ 322,531	Cable TV Franchise tax (1.2%)
$3,907,024	Operational Grants (14.1%) (Class C road funds (36.1% of category), State Liquor tax, and CDBG funds)
$2,229,957	Charges for Service (Licenses, Permits and Court fines) (8.0%)
$ 515,687	Capital Grants for major road projects, trail and park improvements, additional impact fees and local grants (1.9%). 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, as well as other large grants for open space and trails improvements. 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.
$ (73,828)	Interest earnings (refunding funds loss) and miscellaneous (-0.3%)
$ 39,800	Gain/Loss on Sale/Disposal of Capital Assets (0.1%)
$ 105,685	Miscellaneous Revenues (0.4%)

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 30 for detail data.)

- Charges for services increased in 2022 over the prior year by $963,519. The majority, $554,036 was from newly implemented storm water fees on all properties throughout the city. Additionally, commercial building permits were up $240,000 and Road Cut permits were also up $140,000.

- Operating grants and contributions increased by $708,451 due to additional federal ARPA grant funds and a $400,000 state legislative grant.

- Capital grants and contributions decreased $1.5 million, equal to a prior year county grant that was provided for open space preservation.



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. The 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 $37,325,306 after 17½ years of operation, which includes an increase of $2,338,208 from the fiscal year's operations, along with an additional sales tax revenue bond of $7,500,000 for new public works facilities construction and additionally the currently escrowed refunding bond balance of $13,644,069 of the 2014 and 2016 bonds used to develop city hall and the public works yard. The increase in fund balance compared to the prior year is attributable primarily to wages and benefits expenditures were below budget by $698,345 operational expenses below budget by $231,898, budgeted Capital Projects still in progress of $2,727,453. Of the total fund balance of $37,325,306, $25,052 is non-spendable and represents prepaid expenditures for fiscal year 2022 events, $586,655 is restricted as Bond Debt Service Funds in Trust, as well as $7,398,253 in bond construction funds. Additionally, $154,305 is reserved from CDRA tax distributions for the Canyon Centre Park development and $205,223 are Impact Fee funds. The remaining $28,955,820 are unrestricted funds, of which $660,343 is assigned to fund accrued and vested paid time off, $4,633,384 are assigned for capital improvement projects, $13,644,069 is assigned to current debt service and bond refunding, $1,376,174 is assigned as Community Development Renewal Agency funds and $8,641,849 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, 2022, the General Fund had a fund balance of $9,327,244, of which $25,052 is restricted for prepaid expenditures and is non-spendable, $660,343 for vested PTO and $8,641,849 is 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

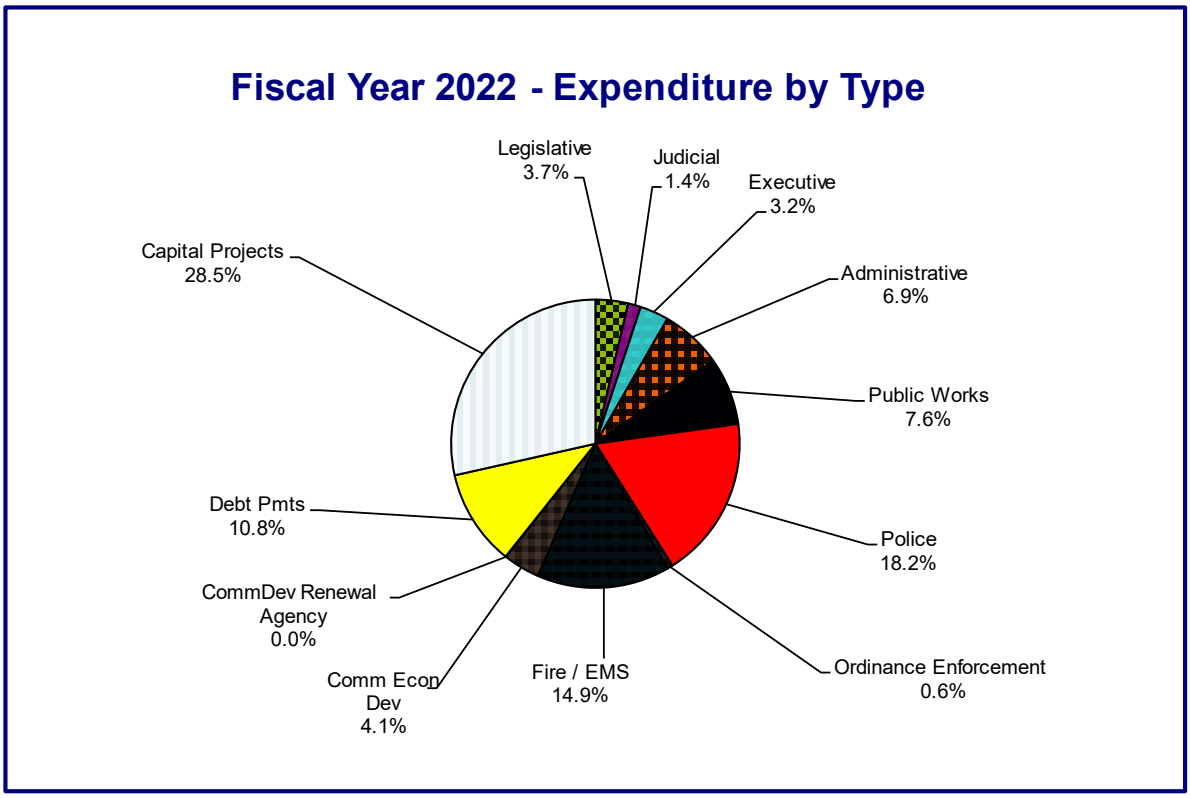
unrestricted fund balance is 28.1 percent of total expenditures and transfers. The City ordinance chapter 2.150.11 as adopted by the City Council requires a desired target minimum fund balance of 6.0 percent of annual general fund revenues. State law requires a 5 percent minimum balance for restricted use as defined by state statute. State law also requires appropriation of any general fund balance in excess of the 35.0 percent maximum allowed. Currently, the calculated 6.0 percent minimum fund balance is $1,557,315 and the remaining unassigned balance is $7,084,534.

- Another governmental fund is the **Capital Projects Fund**. This fund is specifically used to budget capital improvements. As of June 30, 2022, the fund balance was $11,676,073, of which $586,655 is restricted for debt service related to the issuance of the 2014 and 2016 sales tax bonds and $7,398,253 is restricted 2022 bond funds for construction costs of the Public Works facility and offices and $205,223 is restricted for Impact Fees charged on development projects. The balance of $3,485,943 is for regular Capital Project fund activities. For specific details, see supplementary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects Fund on page 75.

- Another governmental fund is the **Debt Service Fund**. This fund is specifically use to budget debt service payments on outstanding bond debt. Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Debt Service on page 76.

- The City has two "non-major governmental funds. 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 fund balance of $1,530,479 is the result of both an initial contribution from Salt Lake County redevelopment agency (RDA) funds collected within the boundaries of Cottonwood Heights prior to the City's incorporation and current property taxes collected through the CDRA. The **Storm Water Fund** has been established to account for funding of maintenance of the storm water drains throughout the city. The current unrestricted fund balance of $1,147,442 is the result of an initial contribution from the General Fund and collections of a newly established Storm Water fee assessed to all properties throughout the city. For specific details on these non-major funds, see the Combining Balance Sheet – Non-Major Governmental Funds on page 73, and the Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds on page 74.

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.)



General Government – includes the activities of Legislative ($434,343), Judicial ($351,591), Executive ($919,031) and Administrative ($1,710,824) functions.

Public Safety – includes the activities of Police ($7,061,366), Ordinance Enforcement ($178,234) and Fire/EMS ($4,089,896).

Highways and Public Improvements – includes the activities of Public Works ($2,122,442) function which includes road maintenance, snow removal, signage, and park maintenance.

Community and Economic Development – includes the activities of Engineering, Economic Development and Planning ($1,131,670).

Capital Projects Fund – includes all Capital Improvement Projects ($3,561,634), 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 ($357,252).

Storm Water Fund – includes activities that are funded for storm water discharge and collection though assessed storm water fees. ($824,344).

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

GENERAL FUND 2022 BUDGET AMENDMENTS

Original budget compared to final budget

During the fiscal year, the general fund's original budgeted expenditures increased by $1,360,643 from $18,461,587 to $19,822,230 as shown in the detail below. See also the Statement of Revenues, Expenditures and Changes in Fund Balance – Budgeted and Actual - General Fund on page 34.

Several factors created the need to amend the budget. We increased the Legislative Committees by $8,520 for Arts Council related grants.

The City budget was adjusted to cover American Rescue Funds Grant funding that was used to offset costs related to the COVID-19 Pandemic of $782,182 spread throughout various departmental budgets.

The Police budget was adjusted by a total of $88,293 for various grants and surplus sales and a market adjustment for officer pay of $363,077. The Public Works budget was adjusted $31,400.

The Community and Economic Development budget was adjusted $16,271 to perform a study.

The changes in the fiscal year 2022 budget in individual departmental appropriations were covered through a combination of using previously accrued resources (fund balance) or 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:	
Federal Grants	$2,008,389
State Grants	40,836
Local Grants	11,790
Other Miscellaneous Revenues	97,061
Fines & Forfeitures	492
Total change in budgeted Revenues and Other Sources of Funds	$2,158,568
General Government Department:	
Legislative Committees, Events, City Council & Mayor	532,275
City Manager	30,000
City Hall	5,886
Finance	15,816
HR Records & Cultural	4,500
Information Systems	130,000
Public Safety:	
Police	451,370
Fire	5,925
Highways and Public Improvements:	
Public Works	(31,400)
Community & Economic Development	
CED & Planning	216,271

Total Change in Departmental Budgets	1,360,643
Additional Transfer to other funds	1,767,060
Net additional use of fund balance	**$969,135**

Final budget compared to actual results
Overall, general fund revenues collected were $2,542,159 more than budgeted. The most significant contributing revenues to this difference were in sales taxes, and Municipal Energy tax in which collections were, respectively, $1,555,627 and $223,596 higher than budgeted

Actual expenditures during this fiscal year in the General Fund departments were all less than the amended budget appropriation in all departments. 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.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets
Cottonwood Heights' investment in capital assets for its governmental activities as of June 30, 2022, amounted to $44,244,847 (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 financing.

Cottonwood Heights' Capital Assets
(Net of related debt)
Governmental Activities

	FY 2022	FY 2021
Equipment	$ 542,795	$ 548,355
Vehicles	2,017,302	3,186,289
Buildings	12,887,174	12,571,980
Land (non-infrastructure)	9,262,154	9,262,154
Infrastructure - Roads	5,354,990	4,119,252
Infrastructure - Bridges	359,008	386,892
Infrastructure - Parkways	6,059,452	6,261,135
Infrastructure - Storm Drains	2,161,925	2,221,193
Infrastructure - Land	23,962,467	23,962,467
Total (net of depreciation)	**62,607,265**	**62,519,716**
Less Debt (net of funds in trust)	(25,758,921)	(18,426,514)
Construction Fund (in trust)	7,397,503	0
Total Capital Assets (net of related debt)	**$ 44,244,847**	**$ 44,093,202**

Capital asset additions during this fiscal year included the following for a total increase of $2,522,093(see note 3D – Capital Assets):

$ 1,949,772	in infrastructure from road overlay and construction projects
$ -	in storm drain repair and installations
$ 431,177	in parkway beautification and improvements including crosswalks, cross-gutters, street lighting
$ 724,937	in building improvements
$ (636,240)	in new equipment
$ 52,447	in public safety vehicle net purchases

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

Long-term debt

As of June 30, 2022, the City had $39,008,253 in governmental long-term debt. $3,042,253 of the long-term debt is a purchase of department vehicles. A portion of the vehicles have a fixed buy-back price after two years. Additionally, $14,295,000 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 $840,131, these bonds are being refunded over the next 3 fiscal years with funds currently in escrow. The principal payment of $505,000 is due in July 2021, along with $317,900 of interest. The second semi-annual payment, $71,548 interest only, was due January 1, 2022, This was less than expected, and was the first interest payment of the new refunding of the outstanding 2014 & 2016 sales tax revenue bonds.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND TAX RATE

- Cottonwood Heights' adopted tax rate for the 2022-23 budget year is .001740. This is the Certified Tax rate calculation defined by the state Legislature. The locally assessed taxable valuation in Cottonwood Heights is $4,545,233,224 including $51,904,060 of new growth in valuation. The adopted tax rate should yield approximately $7,999,019 in 2022 property tax revenue for the coming 2023 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 2023. The original budgeted amount of Sales taxes for fiscal year 2023 is $8,800,000. This compares to actual total sales tax revenue of $8,755,627 in fiscal 2022. We initially thought there would be some slowing in sales tax collections; however, this has not been the case. We are on track to receive more than we did in FY2022. Actual results for the past 4 years have shown year over year increases of 3.31 percent to 10.91 percent.

- At the time of preparing the fiscal year 2023 budget, Class C Road Funds budgeted at $1,250,000, which is approximately a 11.3 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.
- Capital Project Funds are allocated to specific projects that may or may not be expended in the fiscal year. Presently, Of the Capital Project Fund Balance as of June 30, 2022, $7,398,252 represents a total of carry forward of bond funds for the development of the Public Works facilities and office space project. This project will be re-budgeted on in fiscal 2023.
    - The ending fund balance in the Capital Projects Fund from the fiscal year 2022 is $11,676,073 inclusive of $205,223 is reserved impact fees collected in through fiscal year 2022, and $3,485,943 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 2023 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.

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BASIC FINANCIAL STATEMENTS

Cottonwood Heights, Utah
Statement of Net Position
June 30, 2022

	Primary Government
	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 15,421,125
Receivables (net of allowances)	2,659,542
Prepaids	25,052
Net Pension asset	1,864,329
Restricted Cash and cash equivalents	21,986,672
Capital assets not being depreciated:	
Land and rights of way	33,224,621
Capital assets, net of accumulated depreciation:	
Buildings and systems	12,887,174
Improvements other than buildings	542,795
Vehicles	2,017,301
Infrastructure	13,935,375
Total assets	**104,563,986**
DEFFERED OUTFLOWS OF RESOURCES	
Deferred Pension	1,577,468
Total deferred outflows of resources	**1,577,468**
LIABILITIES	
Accounts payable and other current liabilities	1,077,140
Accrued liabilites	1,468,476
Nonspendable collections	175,016
Non-current liabilities:	
Due within one year	2,936,558
Due in more than one year	36,911,826
Net pension liability	-
Total liabilities	**42,569,016**
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	556,031
Deferred pension inflows	3,270,152
Total deferred inflows of resources	**3,826,183**
NET POSITION	
Net Investment in capital assets	44,244,847
Restricted for:	
Bond Debt Service	7,984,907
Canyon Centre Park	154,305
Impact Fees	205,223
Unrestriced	7,156,973
Total net position	**$ 59,746,255**

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, 2022

Function / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Primary Government: Governmental Activities Total
Primary Government					
Governmental activites					
General government	3,536,712	956,501	2,456,848	107,470	(123,363)
Public Safety	10,184,531	334,794	40,274	-	(9,401,246)
Highways and public improvements	8,296,306	554,036	1,409,902	408,217	(5,924,151)
Community and economic development	975,144	384,625	-	-	(590,519)
Interest on long-term debt (net of premium)	944,897	-	-	-	(944,897)
Total governmental activities	**23,937,590**	**2,229,957**	**3,907,024**	**515,687**	**(17,284,922)**

General Revenues:	
Property Tax	8,626,664
Sales Taxes	8,900,327
Opt Hwy/Trans SLS Tax	779,546
Municipal Energy Taxes	2,173,596
Motor Vehicle Fee-In-Lieu (of property taxes)	222,276
Franchise Tax	322,531
Unrestricted Investment earnings (Including Refunding market investments)	(73,828)
Gain on Sale/Disposal of Capital Assets	39,800
Miscellaneous	105,685
Total general revenues and transfers	**21,096,597**
Changes in net position	3,811,675
Net position - beginning, as previously reported	**55,934,580**
Net position - ending	**59,746,255**

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

Cottonwood Heights, Utah
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Capital Projects Fund	Debt Service Fund	Other Non-Major Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 9,775,916	$ 3,119,762	$ 13,644,069	$ 2,523,615	$ 29,063,362
Accounts receivables (net):	2,293,361	366,181	-	-	2,659,542
Prepaids	25,052	-	-	-	25,052
Restricted Cash and cash equivalents	-	8,190,130	-	154,305	8,344,435
Total assets	**12,094,329**	**11,676,073**	**13,644,069**	**2,677,920**	**40,092,391**
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	1,077,140	-	-	-	1,077,140
Accrued liabilites	958,898	-	-	-	958,898
Nonspendable collections	175,016	-	-	-	175,016
Total liabilities	**2,211,054**	**-**	**-**	**-**	**2,211,054**
DEFERRED INFLOWS OF RESOURCES					
Deferred uncollected property tax revenue	142,160	-	-	-	142,160
Deferred property tax revenue	413,871	-	-	-	413,871
Total deferred inflows of resources	**556,031**	**-**	**-**	**-**	**556,031**
FUND BALANCES:					
Nonspendable:					
Prepaids	25,052	-	-	-	25,052
Restricted for:					
Debt Service Funds in Trust	-	586,655	13,642,237	-	14,228,892
Construction Funds in Trust	-	7,398,253	-	-	7,398,253
Canyon Centre Park	-	-	-	154,305	154,305
Impact Fees	-	205,223	-	-	205,223
Unrestricted:					
Assigned:					
PTO Vested	660,343	-	-	-	660,343
Capital Improvement	-	3,485,943	-	1,147,442	4,633,384
Debt Service	-	-	1,832	-	1,832
CommDev Renewal Agency	-	-	-	1,376,174	1,376,174
Unassigned:					
General Fund	8,641,849	-	-	-	8,641,849
Total fund balances	**9,327,244**	**11,676,073**	**13,644,069**	**2,677,920**	**37,325,306**
Total liabilities, deferred inflows of resources and fund balances	**$ 12,094,329**	**$ 11,676,073**	**$ 13,644,069**	**$ 2,677,920**	**$ 40,092,391**

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, 2022

Total fund balances - governmental fund types:	$	37,325,306
Amounts reported for governmental activities in the Statement of Net Position are differenet because:		
Capital assets used in governmental activities are not financial resources; therefore, they are not reported in the funds.		62,607,265
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.		(40,357,962)
Net pension liabilities and assets are not available resources and, therefore are not reported in the funds.		171,645
Net position of governmental activities	$	59,746,255

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, 2022

	General Fund	Capital Projects Fund	Debt Service Fund	Other Non-Major Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	$ 8,317,162	$ -	$ -	$ 309,501	$ 8,626,664
Sales	8,755,627	-	-	-	8,755,627
Opt Hwy/Trans SLS Tax	779,546	-	-	-	779,546
Municipal Energy	2,173,596	-	-	-	2,173,596
Motor Vehicle Fee-in-lieu (prop. tax)	222,276	-	-	-	222,276
Franchise - Cable TV	322,531	-	-	-	322,531
Transient Room	144,700	-	-	-	144,700
Licenses and Permits	956,501	-	-	-	956,501
Intergovernmental:				-	
Federal Grant	2,016,012	-	-	-	2,016,012
State Grants	440,836	-	-	-	440,836
State Class C Roads	1,409,902	-	-	-	1,409,902
State Liquor Fund Allotment	40,274	-	-	-	40,274
Local Grants	107,470	365,181	-	-	472,651
Impact Fees		43,036	-	-	43,036
Charges for Services	384,625	-	-	554,036	938,662
Fines and Forfeitures	334,794	-	-	-	334,794
Investment Earnings	45,589	2,836	(136,605)	14,352	(73,828)
Miscellaneous	145,485	-	-	-	145,485
Total revenues	**26,596,927**	**411,052**	**(136,605)**	**877,890**	**27,749,265**
EXPENDITURES					
Current:					
General Government	3,569,265	-	76,093	-	3,645,358
Public Safety	11,307,584	-	-	-	11,307,584
Highways and Public Improvements	1,812,173	1,180,685	-	824,344	3,817,202
Community and Economic Development	1,131,670	-	-	357,252	1,488,921
Debt Service:				-	
Principal	-	-	1,092,453	-	1,092,453
Interest	-	-	758,420	-	758,420
Capital Outlay:				-	
General Government	739,315	-	-	-	739,315
Public Safety	21,911	-	-	-	21,911
Highways and Public Improvements	310,269	2,380,949	-	-	2,691,218
Community and Economic Development	-	-	-	-	-
Total expenditures	**18,892,187**	**3,561,634**	**1,926,966**	**1,181,596**	**25,562,383**
Excess (deficiency) of revenues over (under) expenditures	**7,704,740**	**(3,150,582)**	**(2,063,570)**	**(303,706)**	**2,186,882**
OTHER FINANCING SOURCES (USES)					
Sources:					
Issuance of Sales Tax Revenue Bonds	-	7,500,000	13,735,395 (1)	-	21,235,395
Issuance of Lease Funds	-	-	-	-	-
Loans Other Governments	-	-	-	-	-
Transfers In	-	3,375,889	1,971,572	1,414,058	6,761,519
Sales of Capital Assets	60,000	-	-	-	60,000
(Uses):					-
Transfers to Capital Improvement Fund	(2,980,162)	-	-	(395,727)	(3,375,889)
Transfers to Stormwater Fund	(1,414,058)	-	-	-	(1,414,058)
Transfers to Debt Service Fund	(1,971,572)	-	-	-	(1,971,572)
Total other financing sources (uses)	(6,305,792)	10,875,889	15,706,967	1,018,331	21,295,395
Net change in fund balances	1,398,948	7,725,307	13,643,397	714,625	23,482,277
Fund balance - beginning of year	7,928,296	3,950,765.5	673	1,963,296	13,843,029
Fund balance - end of year	$ 9,327,244	$ 11,676,073	$ 13,644,069	$ 2,677,921	$ 37,325,306

(1) *Refunding of previous debt issuance, due over next 3 years*

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

Cottonwood Heights, Utah
Reconciliaton of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022

Net changes in fund balances - total governmental funds		$ 23,482,277
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		3,452,444
Depreciation		(3,292,239)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations):		
Asset deletions		(930,351)
Depreciation deletions		857,696
Proceeds from capital leases provide current financial resources to governmetnal funds by issuing debt which increases long-term liabilities in the Statement of Net Position. Repayments of capital lease principal are expenditures in the governmental fund, but reduce liabilities in the Statement of Net Position:		
Bond Principal	505,000	
Principal payments on capital lease	584,261	
Total principal payments		1,089,261
Proceeds from new bond & refunded bonds		(21,671,000)
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		965,846
Change in accrued interest		(191,678)
Amortization of bond premium		49,419
Change in net position of governmental activities		$ 3,811,675

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, 2022

	Budgeted Amounts		Fund Actuals	
	Adopted Budget	Final Budget	(Budgetary Basis) (See Notes)	Variance with Final Budget
REVENUES				
Taxes:				
Property	$ 8,153,450	$ 8,153,450	$ 8,317,162	$ 163,712
Sales	7,200,000	7,200,000	8,755,627	1,555,627
Highway Transportation Sls Tax	600,000	600,000	779,546	179,546
Municipal Energy	1,950,000	1,950,000	2,173,596	223,596
Motor Vehicle Fee-in-lieu (prop. tax)	425,000	425,000	222,276	(202,724)
Franchise - Cable TV	310,000	310,000	322,531	12,531
Transient Room	35,000	35,000	144,700	109,700
Licenses and Permits	738,000	738,000	956,501	218,501
Intergovernmental:				
Federal Grant	-	2,008,389	2,016,012	7,623
State Grants	-	40,836	440,836	400,000
State Class C Roads	1,240,000	1,240,000	1,409,902	169,902
State Liquor Fund Allotment	45,000	45,000	40,274	(4,726)
Local Grants	-	91,790	107,470	15,680
Charges for Services	180,000	180,000	384,625	204,625
Fines and Forfeitures	420,000	420,492	334,794	(85,698)
Investment Earnings	50,000	50,000	45,589	(4,411)
Miscellaneous	129,750	166,811	145,485	(21,326)
Total revenues	**21,476,200**	**23,654,768**	**26,596,927**	**2,942,159**
EXPENDITURES				
Current:				
General Government	3,900,457	4,618,934	4,308,580	(310,354)
Public Safety	11,007,987	11,465,282	11,329,495	(135,787)
Highways and Public Improvements	2,487,794	2,456,394	2,122,442	(333,952)
Community and Economic Development	1,065,349	1,281,620	1,131,670	(149,950)
Total expenditures	**18,461,587**	**19,822,230**	**18,892,187**	**(930,043)**
Excess (deficiency) of revenues over (under) expenditures	**3,014,613**	**3,832,538**	**7,704,740**	**3,872,202**
OTHER FINANCING SOURCES (USES)				
Sales of Capital Assets	-	60,000	60,000	-
(Uses):				
Transfers to Capital Improvement Fund	(2,232,762)	(2,980,162)	(2,980,162)	-
Transfers to Stormwater Fund	(193,570)	(1,414,058)	(1,414,058)	-
Transfers to Debt Service Fund	(1,779,172)	(1,578,344)	(1,971,572)	(393,228)
Total other financing sources (uses)	**(4,205,504)**	**(5,912,564)**	**(6,305,792)**	**(393,228)**
Net change in fund balances	$ (1,190,891)	$ (2,080,026)	1,398,948	$ 3,478,974
Fund balance - beginning of year			**7,928,296**	
Fund balance - end of year			**$ 9,327,244**	

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

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.

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 expenses 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.

Storm Water Fund
The Storm Water Fund is used to account for accumulation of financial resources for the purpose of maintaining the storm water infrastructure within the City boundaries.

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.

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. Expenses (including capital outlay) are recorded when the related fund liability is

incurred, except for general obligation bond and direct purchasing 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.

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 acquisition value rather than fair value. Estimated historical cost was used to value the majority of the infrastructure assets transferred from Salt Lake County primarily during the period ending June 30, 2005. The City's capitalization threshold is $10,000.

Depreciation of all exhaustible assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Description	Governmental Activities Estimated Lives
Buildings and Improvements	45 years
Machinery and Equipment	5 to 15 years
Vehicles	5 years
Infrastructure – original costs	15-50 years
- annual upgrade costs	(Must increase remaining life by a minimum of 33%. Upgrade costs amortized over new remaining life.)

- Fund Financial Statement Reporting of Capital Assets

In the fund financial statements, assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Restricted Assets
Certain assets have external restrictions placed upon them that limit their availability. These assets may only be expended if their use is in adherence with these restrictions. Some restrictions are in place due to provisions of State or Federal law. Bond proceeds held for construction and funds dedicated to be held for debt service payments are restricted by the Trustee. Class C Road taxes, governmental grants and impact fees are restricted revenues and may only be used for their intended purpose.

Deferred Outflows/Inflows of Resources
In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s), and will not be recognized as an inflow of resources (revenue) until that time.

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".

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 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, expenses 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	Required By
None	

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.

As of June 30, 2022, the City had the following investments and maturities:

		Investment Maturities (in years)			
Investment Type	Total Fair Value	Less than 1	1 to 5	6 to 10	More than 10
State of Utah PTIF	$15,217,810	$15,217,810	$ -	$ -	$ -
Total	$15,217,810	$15,217,810	$ -	$ -	$ -

Twice a year, at June 30 and December 31, the investments in the PTIF are valued at fair value. As of June 30, 2022, the City had $15,217,810 invested in the PTIF which had a fair value factor of 0.99586858 making the City investment equal to $15,154,897 for an unrealized loss of $62,913. Due to the insignificance of this amount in relation to the funds affected by the unrealized loss, 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:

Revenue Source	Legal Restrictions of Use
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, 2022, the City complied, in all material respects, with these revenue restrictions.

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, 2022, 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, 2022 the City Council amended the original budget four 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

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	$	15,217,810
Reconciliation to Government-wide Statement of Net Position:		
Investments	$	15,217,810
Cash on Hand		7,900
Held by Trustee		21,627,145
Deposits		554,942
Total	$	37,407,797
Per Statement of Net Position:		
Unrestricted Cash	$	15,421,125
Restricted Cash		21,986,672
Total	$	37,407,797

3B - RESTRICTED ASSETS

The restricted assets as of June 30, 2022, are as follows:

Impact Fees		205,223
Bond Funds held in trust		7,984,907
Canyon Centre Park		154,305
Total	$	8,344,435

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, 2022, are as follows:

		Governmental Activities
Delinquent Property Taxes Receivable	$	117,883
Invoiced Receivables		14,305
Invoiced Business Licensing		24,985
Prior Capital Grant Revenue		366,181
Prior Fiscal Revenues - Sales & Transient Room		1,501,857
Prior Fiscal Revenues - Co Hwy Sales Tax		132,700
Prior Fiscal Revenue - Energy Use Tax		151,758
Prior Fiscal Revenue - Cable Franchise Tax		79,719
Prior Fiscal Revenues - Property Taxes		13,445
Prior Fiscal Revenues -Storm Water Fees		205,118
Prior Fiscal Revenes - FBI Task Force		6,093
Prior Fiscal Bond Issue Reimbursement		45,498
Net Accounts Receivable	$	2,659,542

3D - CAPITAL ASSETS

Capital asset activity for the period ended June 30, 2022, was as follows:

Governmental activities:	Balance at June 30, 2021	Additions	Disposals / Misc Adj	Balance at June 30, 2022
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	14,231,479	724,937	-	14,956,416
Equipment	2,736,026	224,899	(861,139)	2,099,786
Vehicles	5,959,990	121,659	(69,212)	6,012,437
Infrastructure - Roads	34,823,198	1,949,772	-	36,772,970
Infrastructure - Bridges	905,375	-	-	905,375
Infrastructure - Parkways	11,886,353	431,177	-	12,317,530
Infrastructure - Storm Drains	2,680,603	-	-	2,680,603
Total capital assets, depreciable	73,223,024	3,452,444	(930,351)	75,745,117
Accumulated depreciation				
Buildings	(1,659,499)	(409,743)		(2,069,242)
Equipment	(2,187,671)	(227,509)	858,189	(1,556,991)
Vehicles	(2,773,701)	(1,283,896)	62,462	(3,995,136)
Infrastructure - Roads	(30,703,946)	(714,034)		(31,417,980)
Infrastructure - Bridges	(518,483)	(27,884)		(546,367)
Infrastructure - Parkways	(5,625,218)	(632,861)		(6,258,078)
Infrastructure - Storm Drains	(459,410)	(59,268)		(518,678)
Total accumulated depreciation	(43,927,928)	(3,355,194)	920,651	(46,362,472)
Net capital assets	62,519,716	97,249	(9,700)	62,607,265

Depreciation was charged to governmental activities as follows:

Governmental Activities:	
General Government	$ 411,271
Public Safety	1,082,155
Highways & Public Improvements	1,861,768
Total depreciation expense and adjustment	$ 3,355,194

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 sales tax revenue bonds and direct purchases as described below:

As of June 30, 2022, the City had long-term debt payable from originating from two issues of sales tax revenue bonds. On October 12, 2021 both bonds were refunded with a new Series 2021 Sales Tax Revenue bond. The original bonds will be totally refunded 7/1/2024. 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)	$ 11,865,000
Less current principal payments	(395,000)
Current Fiscal Year End Balance	$ 11,470,000

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)	$ 2,935,000
Less current principal payments	(110,000)
Current Fiscal Year End Balance	$ 2,825,000

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.

Sales Tax Revenue Refunding Bonds Payable:

Series 2021 - Refunding Bonds	
2.148%, (10/27/21 original amount $14,171,000)	$ 14,171,000
Less current principal payments	-
Current Fiscal Year End Balance	$ 14,171,000

Proceeds from the 2021 Refunding Bonds will fully refund the 2014 & 2016 Sales Tax Revenue bonds 7/1/2024.

Sales Tax Revenue Bonds Payable:

Series 2022 - City Public Works Facility	
3.370%, (06/09/22 original amount $7,500,000)	$ 7,500,000
Less current principal payments	
Current Fiscal Year End Balance	$ 7,500,000

Proceeds from the 2022 Sales Tax Revenue Bond will be used towards the construction of the City Public Works Facility.

2020 Zions Bank-Police Vehicles	
1.859%, (07/28/20 original amount $1,964,679)	$ 1,964,679
Less fiscal year payments	(301,535)
Fiscal Year End Balance	$ 1,663,144

The City enters into direct purchase agreements for the purchase of police vehicles every two years.

Fleet Vehicle Purchase

2016 Zions Bank-Public Works Vehicles	
1.72%, (08/10/16 original amount $228,126)	$ 101,112
Less fiscal year payments	(33,131)
Fiscal Year End Balance	$ 67,981
2016 JPM Chase-Public Works Vehicles	
1.65%, (09/14/16 original amount $2,519,243)	$ 1,560,724
Less fiscal year payments	(249,595)
Fiscal Year End Balance	$ 1,311,128

The City entered into two purchase agreements for the purchase of Public Works vehicles.

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

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the period ended June 30, 2022:

Type of Debt	Original Principal	% Rate	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Direct Borrowings:							
2016 ZionsBank-Public Works Vehicles Matures 8/10/2023	228,126	1.72	67,981		(33,701)	34,280	34,280
2016 JPM Chase-Public Works Vehicles Matures 9/21/2026	2,519,243	1.65	1,311,129		(253,714)	1,057,415	257,900
2020 ZionsBank-Police Vehicles* Matures 7/08/2022	1,964,679	1.86	1,663,144	-	(1,663,144)	-	1,663,144
Total Direct Borrowings	$ 4,712,048		$ 3,042,254	$ -	$ (1,950,558)	$ 1,091,696	$ 1,955,324
Bonds Payable:							
2014 Sales Tax Revenue Bond Matures 7/1/2039	$ 13,770,000	3.695	$ 11,865,000		$ (395,000)	$ 11,470,000	$ 415,000
2016 Sales Tax Revenue Bond Matures 7/1/2039	3,280,000	2.686	2,935,000		(110,000)	2,825,000	110,000
2021 Sales Tax Refunding Bond Matures 7/1/2039	14,171,000	2.14	14,171,000		-	14,171,000	192,000
2022 Sales Tax Revenue Bond Matures 6/1/2042	7,500,000	3.37	7,500,000		-	7,500,000	247,133
Total Bonds Payable	$ 24,550,000		$ 22,300,000	$ -	$ (505,000)	$ 21,795,000	$ 964,133
Total governmental activity long-term liabilities	$ 29,262,048		$ 25,342,254	$ -	$ (2,455,558)	$ 22,886,696	$ 2,919,457

All direct borrowings and bonds are collateralized by their respective revenues or leased equipment.
* Bi-annually, Public Safety vehicles purchase is partially paid by dealer buy back. $1,356,000 in FY 2023.

Annual Debt Service Requirements

The annual debt service requirements to maturity for governmental long-term debt principal and interest as of June 30, 2022, are as follows:

	Governmental Activities			
	Bonds		Notes from Direct Borrowings and Direct Placements	
Year Ended June 30	Principal	Interest	Principal	Interest
2023*	986,000 **	626,250	1,950,558	53,737
2024	891,000 **	606,750	292,180	18,037
2025*	973,000 **	584,325	262,155	13,192
2026	13,784,000 **	558,675	266,481	8,866
2027	1,152,000	531,125	270,878	4,469
2028-2032	6,060,000	2,012,625		
2033-2037	6,096,000	1,086,425		
2038-2042	5,424,000	207,625		
Total	$ 35,366,000	$ 6,213,800	$ 3,042,253	$ 98,302

* Bi-annually, Police vehicle purchase is primarily paid by an additional dealer buy back.
** 2021 Refunding Bond issued ($14,171,000), replacing 2014 & 2016 Sales Tax bonds.

Other long-term liabilities

Compensated absences:	Beginning	Accrued FY2022	Used FY2022	Net Change	Ending
Vacation	$ 247,822	196,623	(183,766)		260,679
PTO	219,526	281,820	(272,649)		228,697
Sick	120,436	105,106	(91,812)		133,730
Comp time	7,394	74,216	(44,373)		37,237
General Fund	$ 595,178	$ 657,765	$ (592,600)	$ 65,164	$ 660,343
	Expected utilization of compensated absences in FY 2023				$ (627,325)
Net pension liabillity:					
General Fund	$ 841,744			(841,744)	$0

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.

	Transfers Out	Transfers In
General Fund	$6,365,792	
Debt Service Fund		$1,971,572
Storm Water Fund		1,414,058
Capital Projects Fund		3,375,889

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.

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.

***Tier 2 Public Safety and Firefighter's hired after 7/1/2020 receive 2% per year all 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 Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2022 are as follows:

Utah Retirement Systems	Employee	Employer Rate	Employer rate 401(k) Plan
Contributory System			
111 Local Governmental Division - Tier 2***	N/A	16.07%	0.62%
Noncontributory System			
15 Local Governmental Division - Tier 1	N/A	18.47%	N/A
Public Safety Retirement System			
Contributory			
122 Tier 2 DB Hybrid Public Safety***	2.27%	23.74%	N/A
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%	14.00%

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

For fiscal year ended June 30, 2022 the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	$ 239,916	N/A
Public Safety System	369,702	-
Tier 2 Public Employee System	208,802	-
Tier 2 Public Safety	209,427	$ 20,025
Tier 2 DC Only System	3,618	N/A
Tier 2 DC Public Safety & Firefighter System	2,531	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.

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

At June 30, 2022, we reported a net pension asset of $ 1,864,329 and a net pension liability of $ 0.

	(Measurement Date): December 31, 2021				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2020	Change (Decrease)
Noncontributory System	$1,043,777	-	0.1822520%	0.1794397%	0.0028123 %
Public Safety System	$ 765,784	-	2.1383395%	1.9456920%	0.1926475 %
Tier 2 Public Employees System	$ 34,973	-	0.0826333%	0.0736989%	0.0089344 %
Tier 2 Public Safety & Firefighter Sys	$ 19,795	-	0.3916591%	0.4410832%	(0.0494241) %
Total Net Pension Asset/Liability	$1,864,329	$ -			

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

For the year ended June 30, 2022 we recognized pension expense of $196,933.

At of June 30, 2022, 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	$626,694	$7,758
Changes in assumptions	286,190	33,121
Net difference between projected and actual earnings on pension plan investments	-	3,200,918
Changes in proportion and differences between contributions and proportionate share of contributions	77,410	28,356
Contributions subsequent to the measurement date	587,173	-
Total	$1,577,467	$3,270,153

$587,173 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, 2021.

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

Year Ended December 31,	Net Deferred Outflows/ (Inflows) of Resources
2022	$ (282,820)
2023	(784,233)
2024	(750,298)
2025	(526,212)
2026	9,361
Thereafter	$ 54,342

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

For the year ended June 30, 2022, we recognized pension expense of ($166,627).
At June 30, 2022, 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	$ 109,324	$ -
Changes in assumptions	97,962	6,737
Net difference between projected and actual earnings on pension plan investments	-	1,405,305
Changes in proportion and differences between contributions and proportionate share of contributions	9,139	-
Contributions subsequent to the measurement date	102,285	-
Total	$318,710	$1,412,042

$102,285 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, 2021.

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

Year Ended December 31,	Net Deferred Outflows/ (Inflows) of Resources
2022	$ (225,544)
2023	(396,752)
2024	(339,825)
2025	(233,496)
2026	-
Thereafter	$ -

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

For the year ended June 30, 2022, we recognized pension expense of $137,740.
At June 30, 2022, 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	$ 483,416	$ -
Changes in assumptions	133,404	22,535
Net difference between projected and actual earnings on pension plan investments	-	1,648,692
Changes in proportion and differences between contributions and proportionate share of contributions	41,100	23,529
Contributions subsequent to the measurement date	222,991	-
Total	$ 880,911	$1,694,756

$222,991 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, 2021.

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

Year Ended December 31,	Net Deferred Outflows/ (Inflows) of Resources
2022	$ (27,742)
2023	(350,648)
2024	(382,924)
2025	(275,521)
2026	-
Thereafter	$ -

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

For the year ended June 30, 2022, we recognized pension expense of $121,583.
At June 30, 2022, 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	$ 16,991	$ 4,506
Changes in assumptions	32,610	331
Net difference between projected and actual earnings on pension plan investments	-	86,415
Changes in proportion and differences between contributions and proportionate share of contributions	21,213	-
Contributions subsequent to the measurement date	141,454	-
Total	$212,268	$ 91,252

$141,454 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, 2021.

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

Year Ended December 31,	Net Deferred Outflows/ (Inflows) of Resources
2021	$(16,096)
2022	(20,675)
2023	(14,959)
2024	(8,553)
2025	6,941
Thereafter	$32,903

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

For the year ended June 30, 2022, we recognized pension expense of $104,237.
At June 30, 2022, 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	$ 16,963	$ 3,252
Changes in assumptions	22,214	3,518
Net difference between projected and actual earnings on pension plan investments	-	60,506
Changes in proportion and differences between contributions and proportionate share of contributions	5,958	4,827
Contributions subsequent to the measurement date	120,443	-
Total	$ 165,578	$ 72,103

$120,443 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, 2021.

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

Year Ended December 31,	Net Deferred Outflows/ (Inflows) of Resources
2022	$ (13,438)
2023	(16,157)
2024	(12,590)
2025	(8,642)
2026	2,420
Thereafter	$ 21,440

Actuarial assumptions

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

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:

	Expected Return Arithmetic Basis		
Asset class	Target asset allocation	Real return arithmetic basis	Long-Term expected portfolio real rate of return
Equity securities	37%	6.58%	2.43%
Debt securities	20%	(0.28)%	(0.06)%
Real assets	15%	5.77%	0.87%
Private equity	12%	9.85%	1.18%
Absolute return	16%	2.91%	0.47%
Cash and cash equivalents	0%	(1.01)%	0.00%
Totals	100%		4.89%
	Inflation		2.50%
	Expected arithmetic nominal return		7.39%

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

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

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 6.85 percent, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.85 percent) or 1 percentage-point higher (7.85 percent) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	$ 561,270	(1,043,777)	(2,382,875)
Public Safety System	1,405,682	(765,784)	(2,535,183)
Tier 2 Public Employees System	208,380	(34,973)	(221,818)
Tier 2 Public Safety & Firefighter System	158,809	(19,795)	(161,582)
Total	$ 2,334,141	(1,864,329)	(5,301,458)

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)

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

	2022	2021	2020
401(k) Plan (URS)			
Employer Contributions	$580,084	$520,652	$517,266
Employee Contributions	346,278	293,040	273,726
457 Plan (URS)			
Employer Contributions	83,862	67,639	67,227
Employee Contributions	188,865	166,744	159,373
Roth IRA Plan (URS)			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	6,417	4,848	2,991
457 Plan (ICMA-RC)			
Employer Contributions	63,083	70,323	68,823
Employee Contributions	59,341	69,043	63,987
457 Roth Plan (ICMA-RC)			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	45,864	32,439	33,090
Roth IRA Plan (ICMA-RC)			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	$ 4,389	$ 5,780	$ 13,170

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 the date of the audit report, which is the date that the financial statements were available to be issued. No subsequent events were reportable.

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REQUIRED SUPPLEMENTARY INFORMATION

(UNAUDITED)

Cottonwood Heights, Utah

Schedule of the Proportionate Share of the Net Pension Liability - Utah Retirement Systems
As Reported December 31, 2021
Last 10 Years *

	Year-end	Noncontributory Retirement System	Public Safety System	Tier 2 Public Empoyees System	Tier 2 Public Safety & Firefighter System
Proporation of the net pension liability					
	2021	0.1822520%	2.1383400%	0.0826330%	0.3916590%
	2020	0.1794397%	1.9456920%	0.0736989%	0.4410832%
	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)	2021	$ (1,043,777)	$ (765,784)	$ (34,973)	$ (19,795)
	2020	92,042	699,539	10,600	39,563
	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					
	2021	$ 1,381,222	$ 2,153,970	$ 1,533,865	$ 936,610
	2020	1,424,598	1,923,853	1,178,512	882,216
	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	2021	-75.57%	-35.55%	-2.28%	-2.11%
	2020	6.46%	36.36%	0.90%	4.48%
	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	2021	108.7%	105.1%	103.8%	102.8%
	2020	99.2%	94.5%	98.3%	93.1%
	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 8 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, 2022
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						
	2022	$ 217,123	$ 217,123	$ -	$1,277,389	17.00%
	2021	239,916	239,916	-	1,387,522	17.29%
	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						
	2022	$ 433,605	$ 433,605	$ -	$2,300,349	18.85%
	2021	369,702	369,702	-	1,995,210	18.53%
	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 Empoyees System*						
	2022	$ 268,070	$ 268,070	$ -	$1,671,231	16.04%
	2021	208,802	208,802	-	1,321,529	15.80%
	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*						
	2022	$ 233,251	$ 233,251	$ -	$ 982,762	23.73%
	2021	209,427	209,427	-	882,223	23.74%
	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*						
	2022	$ 6,074	$ 6,074	$ -	$ 65,505	6.69%
	2021	3,618	3,618	-	53,980	6.70%
	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%
Tier 2 Public Safety DC Only System*						
	2022	$ 4,382	$ 4,382	$ -	$ 62,358	9.74%
	2021	2,531	2,531	-	25,988	9.74%
	2020					

* 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 practices.

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

RSI-NOTE 1

1A CHANGES IN ASSUMPTONS

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

SUPPLEMENTARY INFORMATION

Cottonwood Heights, Utah
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2022

	Special Revenue Fund Storm Water	Special Revenue Fund CDRA	Total Non-Major Governmental Funds
ASSETS			
Cash and cash equivalents	$ 1,147,442	$ 1,376,174	$ 2,523,615
Restricted Cash and cash equivalents	-	154,305	154,305
Total assets	**1,147,442**	**1,530,479**	**2,677,920**
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	-	-	-
Total liabilities	**-**	**-**	**-**
FUND BALANCES:			
Restricted for:			
Canyon Centre Park	-	154,305	154,305.00
Unrestricted:			
Assigned:			
Capital Improvement	1,147,442	-	1,147,441.80
CommDev Renewal Agency	-	1,376,174	1,376,173.59
Total fund balances	**1,147,442**	**1,530,479**	**2,677,920**
Total liabilities and fund balances	**$ 1,147,442**	**$ 1,530,479**	**$ 2,677,920**

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

Cottonwood Heights, Utah
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Fund Storm Water	Special Revenue Fund CDRA	Total Non-Major Governmental Funds
REVENUES			
Taxes:			
Property	$ -	$ 309,501	$ 309,501
Charges for Services	554,036	-	554,036
Investment Earnings	3,691	10,661	14,352
Total revenues	**557,728**	**320,162**	**877,890**
EXPENDITURES			
Current:			
Highways and Public Improvements	824,344	-	824,344
Community and Economic Development	-	357,252	357,252
Total expenditures	**824,344**	**357,252**	**1,181,596**
Excess (deficiency) of revenues over (under) expenditures	**(266,616)**	**(37,090)**	**(303,706)**
OTHER FINANCING SOURCES (USES)			
Sources:			
Transfers In	1,414,058	-	1,414,058
(Uses):			-
Transfers to Capital Improvement Fund	-	(395,727)	(395,727)
Total other financing sources (uses)	**1,414,058**	**(395,727)**	**1,018,331**
Net change in fund balances	1,147,442	(432,817)	714,625
Fund balance - beginning of year	**-**	**1,963,296**	**1,963,296**
Fund balance - end of year	**$ 1,147,442**	**$ 1,530,479**	**$ 2,677,921**

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
Capital Projects Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Fund Actuals	
	Adopted Budget	Final Budget	(Budgetary Basis) (See Notes)	Variance with Final Budget
REVENUES				
Federal Grant	$ -	$ -	$ -	$ -
State Grants	150,000	807,991	365,181	(442,810)
Impact Fees - Current Collections	-	-	43,036	43,036
Investment Earnings	-	-	2,836	2,836
Total revenues	**150,000**	**807,991**	**411,052**	**(396,939)**
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Highways and Public Improvements	2,991,201	14,799,045	3,561,634	(11,237,411)
Community Economic Development	-	-	-	-
Total expenditures	**2,991,201**	**14,799,045**	**3,561,634**	**(11,237,411)**
Excess (deficiency) of revenues over (under) expenditures	**(2,841,201)**	**(13,991,054)**	**(3,150,582)**	**10,840,472**
OTHER FINANCING SOURCES (USES)				
Sources/(Uses):				
Beginning Fund Bal Appropriated	(162,288)	2,740,165	-	(2,740,165)
Transfers from General Fund	2,628,489	3,375,889	3,375,889	-
Impact Fees	-	-	-	-
Private Contributions	-	-	-	-
Sales Tax Revenue Bond	-	7,500,000	-	(7,500,000)
Sale of Bonds - Premium	-	-	7,500,000	7,500,000
Capital Leases	-	-	-	-
Total other financing sources (uses)	**2,466,201**	**13,616,054**	**10,875,889**	**(2,740,165)**
Net change in fund balances			7,725,307	
Fund balance - beginning of year			**3,950,766**	
Fund balance - end of year			**$ 11,676,073**	

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
Debt Service Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Fund Actuals	
	Adopted Budget	Final Budget	(Budgetary Basis) (See Notes)	Variance with Final Budget
REVENUES				
Bond Refunding Interest	$ -	$ 175,622	$ (136,605)	$ 312,227
Total revenues	**-**	**175,622**	**(136,605)**	**312,227**
EXPENDITURES				
Current:				
Debt Service Principal Payments	$ 584,262	$ 584,262	$ 551,131	$ 33,131
Bond Debt Service Prinicpal Payments	505,000	505,000	541,322	(36,322)
Lease/Other Debt Service Interest Pmt	64,034	64,034	58,883	5,151
Bond Debt Service Interest Pmt	626,750	698,298	699,537	(1,239)
Bond Refunding Closing Costs	-	77,031	76,093	938
TOTAL EXPENDITURES	**1,780,046**	**1,928,625**	**1,926,966**	**1,659**
Excess (deficiency) of revenues over (under) expenditures	**(1,780,046)**	**(1,753,003)**	**(2,063,570)**	**310,567**
OTHER FINANCING SOURCES (USES)				
Unrestricted Beg Bal Appropriated	-	-	-	-
Proceeds from Capital Asset Disposal	-	-	-	-
Sales Tax Bonds - Refunded Issue	-	-	13,735,395	13,735,395
Capital Leases	500	14,171,500	-	(14,171,500)
Transfers from General Fund	1,779,172	1,578,344	1,971,572	393,228
TOTAL OTHER FINANCING SOURCES (USES)	**1,779,672**	**15,749,844**	**15,706,967**	**(42,877)**
Net change in fund balance			13,643,397	
Fund balance - beginning of year			**673**	
Fund balance - end of year	**$ 374**	**$ 13,996,841**	**$ 13,644,069**	**$ (41,217)**

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

STATISTICAL SECTION
(Unaudited)

This section of Cottonwood Heights' Annual Comprehensive Financial Report (ACFR) 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 in derived from the audited financial statements of Cottonwood Heights for the relevant year.

Cottonwood Heights

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governental activiites										
Investment in capital assets	$ 44,244,847	$ 44,093,202	$ 43,754,779	$ 45,006,848	$ 45,584,867	$ 46,202,080	$ 46,994,169	$ 46,783,252	$ 49,739,199	$ 47,215,683
Restricted	8,344,435	1,113,981	1,146,413	1,089,772	909,151	862,883	647,829	57,951	148,081	100,102
Unrestricted	7,156,973	10,727,397	7,879,862	6,228,800	4,273,643	3,798,023	3,343,509	4,443,893	4,825,654	7,047,623
Total governmental activities net position	$ 59,746,255	$ 55,934,580	$ 52,781,054	$ 52,325,420	$ 50,767,661	$ 50,862,986	$ 50,985,507	$ 51,285,096	$ 54,712,934	$ 54,363,409
Primary government										
Investment in capital assets	$ 44,244,847	$ 44,093,202	$ 43,754,779	$ 45,006,848	$ 45,584,867	$ 46,202,080	$ 46,994,169	$ 46,783,252	$ 49,739,199	$ 47,215,683
Restricted	8,344,435	1,113,981	1,146,413	1,089,772	909,151	862,883	647,829	57,951	148,081	100,102
Unrestricted	7,156,973	10,727,397	7,879,862	6,228,800	4,273,643	3,798,023	3,343,509	4,443,893	4,825,654	7,047,623
Total primary government net position	$ 59,746,255	$ 55,934,580	$ 52,781,054	$ 52,325,420	$ 50,767,661	$ 50,862,986	$ 50,985,507	$ 51,285,096	$ 54,712,934	$ 54,363,409

Note: The City has no Business-type activities

FINANCIAL TRENDS: CHART-2

Cottonwood Heights

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental Activities										
General Government	$ 3,536,712	$ 3,201,256	$ 3,798,508	$ 3,893,596	$ 3,736,218	$ 3,505,009	$ 3,153,137	$ 2,420,606	$ 2,902,400	$ 2,863,918
Public Safety	10,184,531	9,773,560	11,089,234	10,547,363	9,910,192	9,830,415	9,370,954	9,025,584	8,932,299	8,760,565
Highways and Streets	8,296,306	8,322,471	4,997,859	5,770,220	4,907,822	5,101,370	5,156,418	6,428,742	5,957,314	5,773,855
Community and Economic Development	975,144	965,239	2,436,609	7,148,623	1,177,023	1,136,010	1,119,682	1,058,098	970,886	695,759
Interest on long term debt	1,021,437	607,188	685,201	340,990	954,272	683,616	529,778	547,992	13,788	19,324
Total Governmental Activities	24,014,130	22,869,714	23,007,411	27,700,792	20,685,527	20,256,420	19,329,969	19,481,022	18,776,687	18,113,421
Total Expenses	$ 24,014,130	$ 22,869,714	$ 23,007,411	$ 27,700,792	$ 20,685,527	$ 20,256,420	$ 19,329,969	$ 19,481,022	$ 18,776,687	$ 18,113,421
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	$ 956,501	$ 640,470	$ 642,630	$ 687,780	$ 774,331	$ 654,736	$ 744,299	$ 517,531	$ 601,337	$ 502,581
Public Safety	334,794	310,038	359,276	391,709	391,549	388,461	530,137	528,102	536,531	528,676
Highways and Streets	554,036						-	-	-	-
Community and Economic Development	384,625	315,930	275,687	320,515	315,543	272,331	355,582	217,312	232,585	245,326
Operating Grants and Contributions	3,907,024	2,742,973	2,213,878	1,417,229	1,480,356	1,784,554	1,709,911	1,543,851	1,563,158	1,611,019
Capital Grants and Contributions	515,687	1,933,615	1,479,585	8,456,439	1,410,309	933,686	836,020	1,968,067	3,484,303	231,783
Total Governmental Activities	6,652,667	5,943,026	4,971,056	11,273,673	4,372,088	4,033,768	4,175,949	4,774,863	6,417,914	3,119,387
Total Program Revenues	$ 6,652,667	$ 5,943,026	$ 4,971,056	$ 11,273,673	$ 4,372,088	$ 4,033,768	$ 4,175,949	$ 4,774,863	$ 6,417,914	$ 3,119,387
Net (Expense)/Revenue										
Governmental Activities	$(17,361,463)	$(16,926,688)	$(18,036,355)	$(16,427,119)	$(16,313,439)	$(16,222,652)	$(15,154,020)	$(14,706,159)	$(12,358,773)	$(14,994,034)
Total Net Expense	$(17,361,463)	$(16,926,688)	$(18,036,355)	$(16,427,119)	$(16,313,439)	$(16,222,652)	$(15,154,020)	$(14,706,159)	$(12,358,773)	$(14,994,034)

FINANCIAL TRENDS: CHART-2

Cottonwood Heights

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
(schedule continued)										
General Revenues										
Governmental Activities:										
Property Taxes	$ 8,626,664	$ 8,060,893	$ 8,065,928	$ 7,965,867	$ 6,964,927	$ 6,843,782	$ 6,810,924	$ 6,646,536	$ 6,684,948	$ 6,954,277
Sales Taxes	8,900,327	7,974,169	6,773,240	6,395,262	6,176,453	5,855,273	5,657,552	5,342,297	5,231,303	5,030,007
Opt Hwy/Trans SLS Tax	779,546	620,895	586,066	-	-	-	-	-	-	-
Energy Use Tax	2,173,596	2,125,352	1,989,725	1,993,681	2,094,365	2,104,686	1,530,067	-	-	-
Motor Vehicle Fee-In-Lieu	222,276	284,883	417,195	360,581	387,839	354,472	359,521	366,675	390,535	390,882
Franchise Taxes	322,531	313,787	323,830	325,048	335,910	338,833	320,220	305,641	303,918	296,450
Unrestricted investment earnings	(73,828)	39,179	159,277	233,574	103,347	85,570	84,666	91,956	37,394	36,859
Gain (Loss) on sale of Capital Assets	39,800	602,152	-	508,094	3,875	96,926	8,250	18,824	12,000	-
Miscellaneous	105,685	58,904	176,727	202,772	151,394	420,589	83,228	57,422	48,200	55,735
Total general revenues, transfers, and special item	21,096,597	20,080,214	18,491,988	17,984,879	16,218,112	16,100,131	14,854,430	12,829,351	12,708,298	12,764,210
Total primary government	$ 21,096,597	$ 20,080,214	$ 18,491,988	$ 17,984,879	$ 16,218,112	$ 16,100,131	$ 14,854,430	$ 12,829,351	$ 12,708,298	$ 12,764,210
Change in Net Position										
Governmental Activities	$ 3,735,134	$ 3,153,526	$ 455,633	$ 1,557,760	$ (95,327)	$ (122,521)	$ (299,590)	$ (1,876,808)	$ 349,525	$ (2,229,824)
Total Change in Net Position	$ 3,735,134	$ 3,153,526	$ 455,633	$ 1,557,760	$ (95,327)	$ (122,521)	$ (299,590)	$ (1,876,808)	$ 349,525	$ (2,229,824)

Note The City has no Business-type activities

FINANCIAL TRENDS: CHART-3

Cottonwood Heights

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Nonspendable	$ 25,052	$ 12,226	$ 86,936	$ 15,120	$ 17,077	$ 35,274	$ 273,598	$ 21,694	$ 19,609	$ 22,134
Restricted	-	-	-	-	-	-	-	-	-	68,799
Unrestricted:										
Assigned	660,343	595,179	513,628	557,107	483,105	440,430	-	-	-	-
Unassigned	8,641,849	7,320,892	4,879,661	3,711,262	3,237,936	3,128,109	2,078,586	2,114,670	2,407,342	2,585,344
Total General Fund	$ 9,327,244	$ 7,928,297	$ 5,480,224	$ 4,283,489	$ 3,738,118	$ 3,603,813	$ 2,352,184	$ 2,136,364	$ 2,426,951	$ 2,676,277
All other governmental funds										
Restricted:										
Bond Funds in Trust	$ 7,984,907	$ 929,600	$ 921,676	$ 911,389	$ 805,741	$ 862,883	$ 2,788,848	$ 10,619,536	$ -	$ -
Canyon Centre Park	154,305									
Unearned Revenues	-	204,832	204,832	-	-	-	-	-	-	-
Impact Fees	205,223	184,381	224,737	178,383	103,410	-	13,079	57,951	128,472	9,169
Unrestricted:						-				
Capital Projects	4,633,384	2,836,784	2,691,639	1,449,832	1,063,640	819,901	1,100,977	3,080,257	2,418,312	4,462,279
Debt Service	13,644,069	673	374	-	618					
CommDev Renewal Agency	1,376,174	1,758,463	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	$27,998,062	$ 5,914,733	$ 5,804,177	$ 5,204,731	$ 3,776,237	$ 3,485,583	$ 5,725,077	$ 15,603,587	$ 2,546,784	$ 4,471,448

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

FINANCIAL TRENDS: CHART-4

Cottonwood Heights

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
REVENUES										
Property Taxes	$ 8,626,664	$ 8,060,893	$ 8,065,928	$ 7,965,867	$ 6,964,927	$ 6,843,782	$ 6,810,924	$ 6,646,536	$ 6,684,948	$ 6,954,277
Sales Taxes	8,755,627	7,894,215	6,719,169	6,341,451	6,138,449	5,816,802	5,622,651	5,319,432	5,203,814	5,011,132
Opt Hwy/Trans Sales Tax	779,546	620,895	586,066	-	-	-	-	-	-	-
E-911 Emergency Fees	-	-	-	-	-	320,122	313,195	296,984	276,640	321,556
Energy Use Tax	2,173,596	2,125,352	1,989,725	1,993,681	2,094,365	2,104,686	1,530,067	-	-	-
Motor Vehicle Fee-in-lieu	222,276	284,883	417,195	360,581	387,839	354,472	359,521	366,675	390,535	390,882
Franchise Taxes	322,531	313,787	323,830	325,048	335,910	338,833	320,220	305,641	303,918	296,450
Transient Room	144,700	79,954	54,071	53,810	38,004	38,471	34,901	22,865	27,489	18,875
Licenses and Permits	956,501	640,470	642,630	687,780	774,331	654,736	744,299	517,531	601,337	502,581
Intergovernmental	4,379,675	4,647,621	2,803,414	2,798,694	2,787,255	2,345,426	2,138,467	3,172,565	4,651,518	1,489,464
Impact Fees - Current Year Collection *	43,036	28,967	140,049	74,973	103,410	52,691	94,268	42,369	119,303	31,783
Charges for Services	938,662	315,930	275,687	320,515	315,543	272,331	355,582	217,312	232,585	245,326
Fines and Forteitures	334,794	310,038	359,276	391,709	391,549	388,461	530,137	528,102	536,531	528,676
Investment Earnings	(73,828)	39,179	159,277	233,574	103,347	85,570	84,666	91,956	37,394	36,859
Miscellaneous	145,485	49,904	176,727	202,772	151,394	420,589	78,260	57,422	48,200	55,683
Total Revenues	27,749,265	25,412,088	22,713,044	21,750,458	20,586,325	20,036,973	19,017,160	17,585,390	19,114,212	15,883,544
EXPENDITURES										
Current										
General Government	3,645,358	3,415,788	3,349,704	3,271,883	3,386,743	3,302,778	3,151,315	3,025,254	2,778,517	2,749,024
Public Safety	11,307,584	8,137,740	9,917,207	9,583,142	9,237,144	9,387,154	9,045,817	8,826,324	8,494,636	8,290,154
Highways and Public Improvements	3,817,202	7,359,116	3,182,327	3,919,794	2,568,521	2,592,975	2,607,607	2,978,465	3,119,574	2,400,004
Community and Economic Development	1,488,921	975,144	2,429,577	7,148,623	1,186,229	1,136,010	1,138,028	1,075,682	970,072	690,193
Debt Service										
Principal	1,092,453	2,252,941	1,123,578	1,918,707	937,888	1,168,552	375,545	-	308,185	729,090
Interest and fiscal charges	758,420	714,309	739,870	721,755	795,211	576,150	854,559	13,966	13,788	19,324
Capital Outlays	3,452,444	3,104,905	924,600	2,974,766	2,054,005	11,526,568	11,515,479	4,750,896	5,615,428	2,411,983
Total Expenditures	25,562,383	25,959,943	21,666,863	29,538,670	20,165,741	29,690,187	28,688,350	20,670,587	21,300,200	17,289,772
Excess(Deficiency) of Revenues over Expenditures	2,186,882	(547,855)	1,046,181	(7,788,212)	420,583	(9,653,214)	(9,671,190)	(3,085,197)	(2,185,988)	(1,406,228)
OTHER FINANCING SOURCES (USES)										
Transfers in	6,821,519	4,835,609	3,696,584	3,045,395	2,612,342	478,625	278,625	-	875,615	1,485,423
Transfers out	(6,761,519)	(3,693,805)	(3,696,584)	(3,045,395)	(2,612,342)	(478,625)	(278,625)	-	(875,615)	(1,485,423)
In-Kind Capital Contribution							-	-	-	
Proceeds from Capital Leases	-	1,964,679	-	1,859,827	-	4,200,123	-	1,168,247	-	1,142,555
Proceeds from Revenue Bond	21,235,395	-	-	-	-	3,593,857	-	14,664,340	-	-
Loans Other Governments	-	-	750,000	7,000,000						
Sale of Capital Assets	-	-	-	902,250	4,375	871,368	8,500	18,824	12,000	753,000
Total Other Financing Sources (Uses)	21,295,395	3,106,483	750,000	9,762,078	4,376	8,665,348	8,500	15,851,411	12,000	1,895,555
Net change in fund balances before special item	23,482,277	2,558,628	1,796,181	1,973,866	424,959	(987,866)	(9,662,690)	12,766,215	(2,173,988)	489,327
Special item	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	$ 23,482,277	$ 2,558,628	$ 1,796,181	$ 1,973,866	$ 424,959	$ (987,866)	$ (9,662,690)	$ 12,766,215	$ (2,173,988)	$ 489,327
Debt service as a percentage of Noncapital expenditures	8.37%	12.98%	8.98%	9.94%	9.57%	9.61%	7.16%	0.09%	2.05%	5.03%
Beginning Fund Balance	$ 13,843,029	$ 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
Ending Fund Balance	$ 37,325,306	$ 13,843,029	$ 11,284,401	$ 9,488,220	$ 7,514,354	$ 7,089,396	$ 8,077,261	$ 17,739,952	$ 4,973,737	$ 7,147,725

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

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 Residential	Commercial (1)	Total	Less 100% Tax-Exempt Property (1)	Less Residential Exemption	Total Assessed Taxable Value	Assessed Taxable Value as % Fully Assessed	Taxable Total Direct Rate
2022	2021	$ 6,102,794,344	$ 1,776,042,009	$ 7,878,836,353	$ 450,000,000	$2,746,257,455	$4,682,578,898	59.4%	0.1442%
2021	2020	5,438,356,736	1,497,982,679	6,936,339,415	220,000,000	2,447,260,531	4,269,078,884	61.5%	0.1898%
2020	2019	5,066,364,904	1,429,989,406	6,496,354,310	210,000,000	2,279,864,207	4,006,490,103	61.7%	0.2088%
2019	2018	4,754,574,427	1,369,058,670	6,123,633,097	199,500,000	2,139,558,492	3,784,574,605	61.8%	0.2002%
2018	2017	4,363,396,727	1,245,004,692	5,608,401,419	183,000,000	1,963,528,527	3,461,872,892	61.7%	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	3,843,244,416	1,062,536,449	4,905,780,865	159,000,000	1,729,459,987	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	3,393,969,247	947,197,075	4,341,166,322	140,000,000	1,527,286,161	2,673,880,161	61.6%	0.2522%
2013	2012	3,277,704,426	890,787,194	4,168,491,620	135,000,000	1,474,966,992	2,558,524,628	61.4%	0.2654%

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

REVENUE CAPACITY: CHART-6

Cottonwood Heights

Property Tax Rates

Direct and Overlapping Governments

Last Ten Fiscal Years

		Cottonwood Heights'			Overlapping Rates								
Fiscal Year Ended June 30	Tax Year	Basic Rate	General Obligation Debt Service	Total Direct	Canyons School District (1)	Jordan School Distrrict (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)
2022	2021	0.1740%	-	0.1740%	0.6643%	0.0347%	0.0178%	0.0474%	0.0012%	0.4000%	0.0147%	0.1021%	0.0369%
2021	2020	0.1898%	-	0.1898%	0.6894%	0.0430%	0.1948%	0.0515%	0.0013%	0.0400%	0.0161%	0.1132%	0.0366%
2020	2019	0.2002%	-	0.2002%	0.7019%	0.0488%	0.1933%	0.0536%	0.0014%	0.0400%	0.0162%	0.1205%	0.0383%
2019	2018	0.2088%	-	0.2088%	0.6435%	0.0560%	0.2025%	0.0559%	0.0015%	0.0400%	0.0176%	0.0965%	0.4000%
2018	2017	0.1981%	-	0.1981%	0.6439%	0.0678%	0.2471%	0.0605%	0.0017%	0.0400%	0.0189%	0.1065%	0.4000%
2017	2016	0.2064%	-	0.2064%	0.6463%	0.0764%	0.2371%	0.0639%	0.0018%	0.0400%	0.0199%	0.1117%	0.0372%
2016	2015	0.2239%	-	0.2239%	0.6997%	0.0862%	0.2531%	0.0683%	0.0019%	0.0405%	0.0215%	0.1198%	0.0400%
2015	2014	0.2386%	-	0.2386%	0.6872%	0.0951%	0.3036%	0.0715%	0.0020%	0.0422%	0.0226%	0.1253%	0.0399%
2014	2013	0.2522%	-	0.2522%	0.7016%	0.1095%	0.3180%	0.0755%	0.0021%	0.0446%	0.0236%	0.1185%	0.0424%
2013	2012	0.2654%	-	0.2654%	0.7111%	0.1307%	0.2793%	0.0627%	0.0021%	0.0455%	0.0244%	0.1203%	0.0443%

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.

REVENUE CAPACITY: CHART-7

Cottonwood Heights

Principal Property Taxpayers

Current Year and Five Years Ago

	FY 2022			FY 2017		
Taxpayer	2021 Taxable Assessed Value	Rank	Percentage of Total Taxable Value	2016 Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Old Mill Corporate Center (Offices)	192,792,700	1	4.12%	$ 176,074,800	1	5.32%
HGREIT II (Cottonwood Center)	155,920,800	2	3.33%	129,849,300	2	3.92%
CornerStone Title Holder	89,804,500	3	1.92%	36,693,100	7	1.11%
Pinnacle Highland Apartments	61,971,085	4	1.32%	37,066,920	6	1.12%
RBCSU Realty, Inc. / Regence BlueCross/BlueShield	53,849,500	5	1.15%	53,699,700	4	1.62%
Fourels Investment Co. (Shopping area)	51,474,200	6	1.10%	48,413,500	3	1.46%
Santa Fe Apartments, LLC. (KW Cottonwood)	49,218,070	7	1.05%	31,112,620	8	0.94%
Baron CT Union Park LLC (James Campbell Co)	40,959,310	8	0.87%	38,559,610	5	1.16%
KWC Union Park LLC (Reef Union Park 6, 7)	40,220,100	9	0.86%	28,116,000	9	0.85%
JSP Farms II, LLC	35,262,755	10	0.75%	20,510,050	10	0.62%
	771,473,020		16.48%	600,095,600		18.11%
Total City Certified Taxable Assessed Value	$ 4,682,578,898			$ 3,312,730,987		

Source: Salt Lake County Treasurer

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 Taxable % of Assessed Market Value	Total Direct Rate	Original Budget Used to Set Tax Rate
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy				
2022	$8,203,180	$8,041,700	98.0%	$177,104	$8,218,805	100.2%	$4,682,578,898	61.2%	0.1740%	$7,999,019
2021	8,160,889	7,960,974	97.6%	129,141	8,090,115	99.1%	4,269,078,884	61.5%	0.1898%	7,909,517
2020	8,067,623	7,880,168	97.7%	159,911	8,040,079	99.7%	4,006,490,103	61.7%	0.2002%	7,846,375
2019	7,967,299	7,742,626	97.2%	97,965	7,840,591	98.4%	3,784,574,605	61.8%	0.2088%	7,784,801
2018	6,914,242	6,767,944	97.9%	94,669	6,862,613	99.3%	3,461,872,892	61.7%	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%	105,383	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	6,553,243	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

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

DEBT CAPACITY: CHART-9

Cottonwood Heights

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Capital Leases	Special Assessment Bonds	Sales Tax Revenue Bonds (1)	Total Outstanding Debt	Percentage of Personal Income (2)	State Committee Calculated Population (3)	Debt Per Capita
	Governmental Activities							
2022	-	3,042,253	-	35,966,000 (4)	39,008,253	2.545%	32,864	1,186.96
2021	-	3,629,697	-	14,800,000	18,429,697	1.159%	33,617	548.23
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

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

(4) Includes Refunding of Bonds (3 year "Balloon" Period) & $7.5 Million Public Works Facilities Building Bond

DEBT CAPACITY: CHART-10

Cottonwood Heights

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Funds (2)	Total	Percentage of Estimated Actual Taxable Value of Property (3)	Per Capita (4)
2022	$ -	$ -	$ -	- %	$ -
2021	-	-	-	-	-
2020	-	-	-	-	-
2019	-	-	-	-	-
2018	-	-	-	-	-
2017	-	-	-	-	-
2016	-	-	-	-	-
2015	-	-	-	-	-
2014	-	-	-	-	-
2013	-	-	-	-	-

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 Statistices on Chart 14

DEBT CAPACITY: CHART-11

Cottonwood Heights

Direct and Overlapping Governmental Activities Debt

As of June 30, 2022

Overlapping Government Unit	2022 Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Cottonwood Heights
Central Utah Water Conservancy District	$ 151,008,994	3.32%	$ 5,016,491
Canyons School District	334,810,000	15.83%	52,995,162
Salt Lake County - General & Library	133,245,000	3.32%	4,426,374
Cottonwood Heights Parks & Recreation Service Area	840,000	98.00%	823,200
Jordan Valley Water Conservancy District	291,357,946	0.04%	113,953
Subtotal, overlapping governmental activity debt	911,261,940		63,375,180
City direct debt	39,008,253	100.00%	39,008,253
Total direct and overlapping debt	$ 950,270,193		$ 102,383,433

Sources: Salt Lake County - Annual Comprehensive Financial Report for 2021, and other entities ACFR.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundries 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.

DEBT CAPACITY: CHART-12

Cottonwood Heights

Legal Debt Margin Information

June 30, 2022

	Fiscal Years									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt Constitutional Limit										
General (4% Fair Cash Value)	$ 297,153,454	$ 268,653,577	$ 251,454,172	$ 238,025,324	$ 217,016,057	$ 206,065,123	$ 189,871,235	$ 171,490,788	$ 168,046,255	$ 161,340,169
Sewer, Water (4% Fair Cash Value)	297,153,454	268,653,577	251,454,172	238,025,324	217,016,057	206,065,123	189,871,235	171,490,788	168,046,255	161,340,169
Total 8% Debt Constitutional Limit	594,306,908	537,307,153	502,908,345	476,050,648	434,032,114	412,130,245	379,742,469	342,981,577	336,092,509	322,680,338
Total Net Debt Applicable to Limit	35,966,000	14,800,000	15,290,000	15,765,000	16,235,000	16,635,000	13,705,000	13,770,000	-	-
Legal Debt Margin	$ 558,340,908	$ 522,507,153	$ 487,618,345	$ 460,285,648	$ 417,797,114	$ 395,495,245	$ 366,037,469	$ 329,211,577	$ 336,092,509	$ 322,680,338
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.052%	2.754%	3.040%	3.312%	3.741%	4.036%	3.609%	4.015%	0.000%	0.000%

Legal Debt Margin Calculations Tax Years	2020	2020	2019	2018	2017	2016	2015	2014	2013	2012
Assessed Valuation:										
Reasonable Fair Cash Value	$ 7,428,836,353	$ 6,716,339,415	$ 6,286,354,310	$5,950,633,097	$5,425,401,419	$5,151,628,068	$4,746,780,865	$4,287,269,711	$4,201,156,368	$4,033,504,228
Debt Limit (8% of reasonable Fair Cash Value)	594,306,908	537,307,153	502,908,345	476,050,648	434,032,114	412,130,245	379,742,469	342,981,577	336,092,509	322,680,338
Debt Applicable to Limit:										
General Obligation Bonds	35,966,000	14,800,000	15,290,000	15,765,000	16,235,000	16,635,000	13,705,000	13,770,000	-	-
Less: Amount Set Aside for Repayment of General Oblication Debt	-	-	-	-	-	-	-	-	-	-
Total Net Debt Applicabale to Limit	35,966,000	14,800,000	15,290,000	15,765,000	16,235,000	16,635,000	13,705,000	13,770,000	-	-
Legal Debt Margin	$ 558,340,908	$ 522,507,153	$ 487,618,345	$ 460,285,648	$ 417,797,114	$ 395,495,245	$ 366,037,469	$ 329,211,577	$ 336,092,509	$ 322,680,338

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

DEBT CAPACITY: CHART-13

Cottonwood Heights

Pledged-Revenue Coverage

June 30, 2022

	Sales Tax Revenue Bonds			
Fiscal Year	Sales Tax Revenues	Debt Service * Principal	Debt Service * Interest	Coverage
2022	$ 8,755,627	$ 505,000	$ 889,267	6.28
2021	7,894,215	490,000	586,381	7.33
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	-	-	-	-

* Debt Service - Interest net of amortized Bond Premium

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 Age 25+ Avg Yrs of Formal Schooling (2)	K-12 School Enrollment (2)	Metro SLC, UT Unemployment Rate (3)
2022	32,864	39.00	$ 46,632	1,532,514	14.6 *	5,889	2.0%
2021	33,617	37.90 *	47,304 *	1,590,219	14.7 *	5,019 *	2.7%
2020	33,843	36.70 *	48,500 *	1,641,386	14.7 *	5,225 *	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%

Note: Prior years data updated

(1) Utah State Population Committee, US Census Bureau, 2021 American Community Survey 5 yr estimates (* City Finance Estimate)
(2) US Census Bureau, 2021 American Community Survey 5 yr estimates (* City Finance Estimate)
(3) Bureau of Labor Statistics - June FY

DEMOGRAPHIC AND ECONOMIC: CHART-15

Cottonwood Heights

Principal Employers in City Boundries

Current Year and Nine Years Ago

2022				2013			
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	2,000-2,999	1	14.23%
3	Canyons School District	500-999	2.93%	Canyons School District	290-644	4	2.48%
3	Instructure, Inc	500-999	2.93%				
				Overstock.Com Inc.	500-999	3	4.05%
7	Mastercontrol Inc (EBR Labs)	250-499	1.46%	Mastercontrol Inc (EBR Labs)	100-249	10	0.91%
7	Cambia Health Solutions, Inc.	250-499	1.46%	Regence BlueCross BlueShield of Utah (Cambia Health)	500-999	3	4.05%
7	Extra Space Management Inc	250-499	1.46%	Extra Space Management Inc	100-249	10	0.91%
7	Target Corporation	250-499	1.46%	Target Corporation	100-249	10	0.91%
10	APEX Systems	100-249	0.66%				
10	AVID Acceptance, LLC	100-249	0.66%				
10	Bluevine Capital Inc	100-249	0.66%				
10	Canyon Culinary Inc (Porcupine Grill)	100-249	0.66%	Canyon Culinary Inc (Porcupine Grill)	100-249	10	0.91%
10	Cottonwood Heights Parks & Recreation Service Area	100-249	1.46%	Cottonwood Heights Parks & Recreation Service Area	100-249	10	0.91%
10	Dyno Nobel Inc	100-249	0.66%				
10	Foothill Family Clinic South	100-249	0.66%				
10	Intercap Lending	100-249	0.66%				
10	Kroger Group Cooperative Inc (Smiths Food)	100-249	0.66%	Kroger Group Cooperative Inc (Smiths Food)	100-249	10	0.91%
10	Navitaire Inc	100-249	0.66%	Navitaire Inc	100-249	10	0.91%
10	SOFI	100-249	0.66%				
10	Staffing Solutions Southwest (Real Time Staffing)	100-249	0.66%	Real Time Staffing Services, Inc	100-249	10	0.91%
10	Stantec Conculting Services	100-249	0.66%				
10	The Home Depot USA Inc	100-249	0.66%	The Home Depot USA Inc	100-249	10	0.91%
10	TKJ LLC	100-249	0.66%				
10	Whole Foods Market RM SW LP	100-249	0.66%				
				ABEO Management Corp	100-249	10	0.91%
				Dans Supermarkets Inc	100-249	10	0.91%
				Gastronomy, Inc	100-249	10	0.91%
				KR Acquistions 1 LLC ET AL (Kern River Gas)	100-249	10	0.91%
				Savage Services Corporation	100-249	10	0.91%
	Top Ten Principal Employers	4,700 - 10,226	29.00%		5,800 - 11,476		37.50%
	All Reported Employers in City	11,315 - 25,503			12,023 - 25,367		

Source: Utah Department of Workforce Services

Cottonwood Heights does not maintain employer - employee data

OPERATING INFORMATION: CHART-16

Cottonwood Heights

Full-time Equivalent Employees by Function

Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Function										
General Government	17.00	16.50	16.50	16.50	18.00	18.00	17.75	17.50	16.23	16.64
Public Safety										
Police										
Sworn Officers	37.00	37.00	37.00	37.50	39.50	39.50	39.50	38.50	36.50	36.50
Non-Sworn	11.88	11.88	11.48	11.48	11.48	11.46	11.46	11.46	11.46	10.96
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	16.00	16.00	15.00	14.00	14.00	14.00	4.65	4.65	4.65	4.65
Community & Economic Development	7.75	7.75	7.75	7.75	6.50	6.50	6.04	5.54	5.17	4.54
Total	91.63	91.13	89.73	89.23	91.48	91.46	81.40	79.65	76.01	75.29

Source: City Finance / Budget department

OPERATING INFORMATION: CHART-17

Cottonwood Heights

Operating Indicators by Function

Last Ten Years

	Fiscal year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public Safety										
Police:										
Total calls for service	17,700	17,992	16,917	19,009	19,041	18,463	18,210	22,949	21,666	25,614
Homicide, Armed Robbery, Assualts w/Weapons	37	39	35	37	44	51	38	25	34	26
Clearance Rates	83%	66%	71%	86%	65%	70%	64%	76%	82%	-
Assault, Burglary, Larceny, Vehicle Thefts & Rape	742	946	1,002	971	1,014	1,170	1,101	1,022	983	1,020
Clearance Rates	24%	26%	35%	37%	31%	29%	29%	33%	20%	-
Number of arrests	859	950	1,026	1,385	1,458	1,204	1,393	1,228	1,185	1,329
Number of DUI arrests	126	86	111	156	168	118	166	165	127	308
Avg. Priority 1 calls response times	3:53	4:13	4:37	4:10	4:10	4:36	4:19	4:57	5:09	4:28
Ordinance Enforcement:										
Animal involved calls for service	1,437	1,543	637	844	860	854	932	1,382	1,171	1,373
Ordinance violation citations issued	178	203	164	203	221	126	166	172	118	127
Fire:										
Number of fire calls	387	701	481	610	460	633	531	709	822	881
Number of medical calls	989	1,491	1,454	1,358	1,755	2,081	1,843	2,596	2,477	2,224
Public Works										
Number of issued excavation permits closed	254	170	257	337	300	285	332	341	72	223
Square feet of chip seal applied	-	-	-	367,500	1,729,600	78,090	198,900	-	237,650	556,500
Square feet of slurry seal / reclamite applied	1,800,000	2,508,000	4,011,000	2,100,000	-	-	-	-	759,310	1,696,665
Square feet of overlay completed	325,985	248,066	76,000	74,500	283,500	-	715,397	496,145	236,280	541,755
Community and Economic Development										
Number of business licenses renewed	1,573	1,561	1,533	1,555	1,464	1,302	1,259	1,454	1,421	1,291
Number of new business licenses issued	239	243	207	217	208	198	244	192	180	154
Building permits issued	819	824	682	669	691	591	402	536	486	408
Number of building inspections	1,951	2,062	2,175	2,164	1,926	1,389	1,403	1,680	1,234	1,102
Square footage of new office space	-	-	2,000	33,885	39,515	23,540	158,000	33,500	150,000	-
Total square footage of office space	2,726,282	2,726,282	2,726,282	2,724,282	2,690,397	2,650,882	2,627,342	2,469,342	2,435,842	2,285,842

Source: Various City departments

OPERATING INFORMATION: CHART-18

Cottonwood Heights

Capital Asset Statistics by Function

Last Ten Years

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Function										
General Government										
Number of general governmental buildings (owned / leased)	1/0	1/0	1/0	1/0	1/0	1/0	0/1	0/1	0/1	0/1
Number of storage buildings (owned/ l eased)	0/4	0/4	0/4	0/4	0/4	0/4	0/4	0/4	0/4	0/4
Public Safety										
Number of Police stations (owned / leased)	1/0	1/0	1/0	1/0	1/0	1/0	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	1255	1261	1261	1258	1212	1212	1197	1195	1080	1,080
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	1/1	1/1	0/1	0/1	0/1	0/1
Number of Street Lights	1,141	1,141	1,141	1,136	1,135	1,115	1,100	1,092	1,090	870
Number of Lane Miles of Road	270	270	270	270	265	253	253	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	92	92	90	86	86	72	72	72
Number of issued excavation permits closed	254	170	257	337	300	285	332	341	72	223
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	18.96
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

Larson
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *UNIFORM GUIDANCE*

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

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAMS

Opinion on Compliance for Each Major Federal Program

We have audited Cottonwood Heights, Utah's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cottonwood Heights's major federal programs for the year ended June 30, 2022. Cottonwood Heights's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cottonwood Heights complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Cottonwood Heights and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cottonwood Heights's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Cottonwood Heights's major federal programs.

Auditor's Responsibilities for the Audit Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Cottonwood Heights's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Cottonwood Heights's compliance with the requirements of each major federal program.

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In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Cottonwood Heights's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Cottonwood Heights's internal control over compliance relevant to the audit in order to design audit procedures that appropriate in the circumstances and to test and report on the internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Cottonwood Heights's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies in material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did identify and deficiencies in internal control over compliance that we consider to be material weaknesses , as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion in expressed.

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

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
December 12, 2022

COTTONWOOD HEIGHTS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

	Federal CFDA Number	Amount of Expenditures
Direct Assistance		
U.S Department of the Treasury		
* AARPA	21.027	$ 2,002,670
Total U.S Department of the Treasury		**2,002,670**
Total Direct Assistance		**2,002,670**
Indirect Assistance		
U.S Department of Justice		
Passed through the Utah Commission on Criminal & Juvenile Justice		
Justice Assitance Grant (JAG	16.738	5,482
Total U.S Department of Justice		5,482
Total Indirect Assistance		**5,482**
TOTAL EXPENDITURES OF FEDERAL AWARDS		**$ 2,008,152**

* Major Program

COTTONWOOD HEIGHTS

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2022

1. **GENERAL**

The accompanying schedule of expenditures of federal awards (the schedule) includes the grant activity of Cottonwood Heights (the City) under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The City reporting entity is defined in Note 1 to the basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed-through other government agencies are included on the schedule of expenditures of federal awards. Because the schedule presents only a selected portion of the operations of Cottonwood Heights it is not intended to and does not present the financial position, changes in net position, or cash flows of Cottonwood Heights.

2. **BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting for expenditures in governmental fund types and on the accrual basis for expenses in proprietary fund types, which is described in Note 1 to the basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

3. **NON-CASH ASSISTANCE**

The City did not receive any non-cash assistance

4. **LOANS OUTSTANDING**

The City has no federal loans outstanding through as of June 30, 2022.

5. **DE MINIMIS INDIRECT COST RATE**

The City has elected not to use the 10% de minimis indirect cost rate.

COTTONWOOD HEIGHTS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unqualified opinion on the basic financial statements of the Cottonwood Heights.

2. No reportable conditions related to the audit of the financial statements are reported in the Auditors' Report on Internal Controls and Compliance with Laws and Regulations.

3. No instances of noncompliance material to the financial statements of Cottonwood Heights were disclosed during the audit.

4. No material weaknesses relating to the audit of the major federal award program is reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with Uniform Guidance.

5. The independent auditor's report on compliance for the major federal award programs for the Cottonwood Heights, expresses an unqualified opinion.

6. The audit disclosed no audit findings that are required to be reported under 2 CFR section 200.516(a).

7. The program(s) tested as a major program include:

ARPA	21.027

8. The threshold for distinguishing Types A and B programs is $750,000 of federal awards expended.

9. Cottonwood Heights was determined not to be a low-risk auditee.

COTTONWOOD HEIGHTS
Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2022

FINANCIAL STATEMENT FINDINGS

No findings noted during current audit

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted during current audit

SUMMARY OF PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENT FINDINGS

No findings noted during prior audit.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted during prior audit