

**COTTONWOOD HEIGHTS (A CITY), UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015**



Cottonwood Heights, Utah
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2015
With
Independent Auditor's Report

Prepared by

Cottonwood Heights Finance

Dean Lundell, CPA, Director of Finance

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

**COTTONWOOD HEIGHTS, UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015**

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COTTONWOOD HEIGHTS
INTRODUCTORY SECTION



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Cottonwood Heights
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

COTTONWOOD HEIGHTS
INTRODUCTORY SECTION



Mayor
Kelvyn Cullimore
City Council
Michael Shelton
Scott Bracken
Mike Peterson
Tee Tyler
City Manager
John Park

December 15, 2015

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

Overview

It is our great pleasure to present the Comprehensive Annual Financial Report (CAFR) for the City of Cottonwood Heights (the City) for the fiscal year ended June 30, 2015.

Utah State law requires that all local governments publish, within six months of the close of each fiscal year, the complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the CAFR of Cottonwood Heights for the fiscal year ended June 30, 2015.

This report consists of management's representations concerning the finances of Cottonwood Heights. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of Cottonwood Heights has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of Cottonwood Heights' financial statements in conformity with generally accepted accounting principles. Since the cost of internal controls should not outweigh their benefits, Cottonwood Heights' framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

As management, we assert that to the best of our knowledge and belief this financial report is complete and reliable in all material aspects. Larson & Company, PC, a firm of certified public accountants, has audited Cottonwood Heights' financial statements. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by

COTTONWOOD HEIGHTS INTRODUCTORY SECTION

management, and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of Cottonwood Heights

Cottonwood Heights was incorporated on January 14, 2005 out of the southeastern area of unincorporated Salt Lake County. The current population is estimated at 34,166 residents in an area encompassing 8.86 square miles. It is known as the ***City between the Canyons*** due to its location at the foot of the Wasatch Mountain Range between Big Cottonwood 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 values highly its reputation as a well-maintained residential and business community. The preservation of quality of life is of utmost importance to residents and business owners. The City is proud of the stunning scenic background provided by the Wasatch Mountains and residents value the hillsides, streams, natural open spaces and parks within and nearby the City. The residents occupy a variety of residential dwellings in harmony with thriving commercial areas. In 2007 Money Magazine selected Cottonwood Heights as one of the 100 best places to live in the United States.



Wasatch Mountains along eastern border of City.

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 improve the quality of life for its residents by emphasizing the following goals: attracting businesses to serve the needs of its residents, promoting the attractive image and appearance of the community, supporting and increasing the general income and prosperity of the City, and strengthening existing business centers that will complement the City's location as the gateway to the canyons.

Citizens voted to operate Cottonwood Heights from its inception under the "Council – Manager" form of government. Under this form of government the citizens elect a council member from each of four districts and a Mayor is elected at-large from the entire city. The Mayor and Council select a City Manager who acts as the Chief Executive Officer of the City. Policy-making and legislative authority are vested in the Mayor and Council, execution and administration of

COTTONWOOD HEIGHTS
INTRODUCTORY SECTION

policies and ordinances is the responsibility of the City Manager. The Mayor and Council serve part time. The City Manager serves full time.



Local economy

Some may think of Cottonwood Heights as an affluent ‘bedroom community’ of Salt Lake City with limited number of businesses and commercial presence, but the City actually has one of the largest amounts of premium, high rise Class A office space in the valley at over 2,500,000 square feet (see table below), second in Salt Lake County only to downtown Salt Lake City. Cottonwood Heights has become one of the most sought after places for businesses to reside. The City is home to the corporate offices of Extra Space Storage, JetBlue Airways, Instructure, MasterControl, and SanDisk (Fusion-io) and Cottonwood Heights continues to attract large companies looking for a supportive business environment, access to the canyons and a high quality of service.

Cottonwood Heights has a substantial amount of office space including three office parks catering to business of all sizes. The Old Mill Corporate Center, Cottonwood Corporate and Union Park office complexes house all of the City’s Class A space and 72 percent of the total office space available. Quality Class B and C office space is dispersed through the City along major transportation corridors including Fort Union Boulevard, 1300 East, Highland Drive and 2300 East.

As of June 30, 2015			
	Class A	Class B	Class C
Total SF	2,535,842	497,065	91,328
% of Total SF	81.2%	15.9%	2.9%
Average Building SF	137,961	17,140	3,790
Number of Properties	14	29	24
Average Vacancy	3.5%	14.7%	2.9%
Average Lease(\$/SF)	\$28.50	\$19.25	\$14.53

COTTONWOOD HEIGHTS INTRODUCTORY SECTION

Source: Cottonwood Heights Community and Economic Development

Long-term planning and major initiatives

Cottonwood heights serves as a sub-regional market to the Greater Salt Lake Metropolitan area, providing millions of square feet of Class A office space, access to world-class outdoor recreational amenities, and well-established residential neighborhoods. Besides the high concentration of Class A office parks and high-tech businesses, the city also has limited manufacturing users as well as retail businesses ranging from small shops to regional shopping destinations.

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 and Wasatch boulevards are both major components of the city and are master planned for future projects including: housing, shops, work places, attractions, schools, civic facilities, parks and greenbelts interwoven with neighborhood streets that connect within these areas and to other centers of the city by clean, efficient and affordable means of transportation as a sustainable proposal to spur economic growth and long term viability.

Fort Union Boulevard is a focal point both figuratively and geographically for Cottonwood Heights. It is the major east-west arterial going through the city. It features a mix of retail, restaurants, service and professional offices and residential properties. Fort Union Boulevard serves as a gateway to Big & Little Cottonwood Canyons and area resort attractions. This corridor has, since the inception of the city, been identified in the General Plan as a gateway to the canyon, a future Utah Transit Authority transit corridor, and a place where the city can set itself apart from the rest of the Wasatch Front. The corridor possesses a wide array of land uses, including neighborhood and general commercial, residential in varying densities, and offices.

The Wasatch Boulevard/Gravel Pit Area, another of the City's major gateways, is a crucial and keystone property in Cottonwood Heights. The gravel pit area is the largest undeveloped site in the city. It is estimated that quarry operations will phase out over the next 5-15 years. Therefore, the city is actively involved with property owners to master plan the site for the eventual development. At a conceivable 150 - 200 developable acres, the site presents notable opportunities to fill service and amenities as well as land use needs that are not being currently met in the city. This landmark property and proposed study are not only vital to Cottonwood Heights, but are regionally valuable due to its critical location at the mouth of Big Cottonwood Canyon and its world-class skiing and other related facilities such as: Wasatch Boulevard, the Bonneville Shoreline Trail, and the Fort Union Corridor. The opportunities presented by this highly visible property will prove invaluable to future generations of local residents and property owners, regional recreational users, and destination travelers who come to this area to play, to shop and to live. Development opportunities on site could include full-service hotels, high-density housing, destination retail and Class A offices.

COTTONWOOD HEIGHTS INTRODUCTORY SECTION

The city culminated a multi-year process of looking for a place to build a City hall by locating and assembling eight parcels of land (seven of which were occupied) last year, located on the northwest corner of 2300 East and Bengal Boulevard (7600 South). It is anticipated that the municipal center will house City hall and police and will be completed in the fall of 2016.

Services Provided

As a local general purpose government, Cottonwood Heights provides a full range of municipal services including police and fire protection, construction and maintenance of streets and other infrastructure, planning and zoning, community and economic development, recreational and cultural activities, justice court, and animal services.

In addition to the services provided directly by City taxes and fees which include **General Government** (legislative, city management, finance, treasurer, city recorder, emergency management, information technology), **Public Safety** (police and ordinance enforcement), **Highways and Public Improvements** (public works), **Community and Economic Development** (planning and zoning, economic development, engineering, business licensing); Cottonwood Heights contracts with several other entities within the Salt Lake County area to provide certain services to our residents and businesses. They are:

- ❖ The Cottonwood Heights Parks and Recreation Service Area (the Area) was created in June, 1967, and is legally separate and distinct from the City. They operate a recreation center, recreation programs, and several parks within the city, including such amenities as swimming pools, an ice skating rink, a skate park, baseball diamonds, tennis courts, soccer fields, playgrounds, trails and social gathering places.

In addition to these services provided by the Area, Cottonwood Heights contracts with the Area to provide parks and landscape maintenance for three city parks and sixteen other roadway islands, trails, trailheads and walkways, monument signs, planters, and other small city owned properties. We also partner with them to conduct or assist with many city events, such as the Butlerville Days summer celebration.

- ❖ The City contracts with Salt Lake County Public Works to provide roadway sign maintenance, school zone flashing beacons, street light maintenance, traffic signal maintenance, and other small projects as requested.
- ❖ The City contracts with Terracare Associates to provide Public Works services. The general scope of services includes oversight of all service delivery as directed by the City Public Works director, including: pavement management services, non-routine roadway sweeping, snow management services, traffic sign maintenance, pavement striping services and storm drain maintenance.
- ❖ The Unified Fire Authority (UFA) is a political subdivision organized under an inter-local agreement in the State of Utah. They provide fire-fighting and rescue services, and emergency medical services as well as wild land firefighting and prevention, hazmat, heavy rescue, bomb/arson, and USAR (Utah Task Force One) services

COTTONWOOD HEIGHTS INTRODUCTORY SECTION

throughout Salt Lake County. These services are provided to the City through contract as a member city of the authority.

- ❖ The Salt Lake City Public Utilities Department provides water treatment and distribution services in our area. The City also contracts with Salt Lake City Public Utilities to provide repair and maintenance services on fire hydrants located in and owned by the City.
- ❖ The City contracts with the City of Holladay, our neighbors to the north of Cottonwood Heights, for justice court services including: traffic and misdemeanor justice court services, prosecutorial services, and indigent defense services as required by law, as well as a small claims court.
- ❖ The City contracts with the law firm of Callister, Nebeker, & McCullough for legal services. W. Shane Topham, attorney from the firm functions as the City's sworn Attorney.
- ❖ The City contracts with the engineering firm of Gilson Engineering, Inc. for engineering services in connection with building and other real property development and public works.

Brad Gilson serves as the city engineer. The City Engineer is responsible for the management of the City's infrastructure including: transportation, roadway planning and design, drainage planning and design, and storm water quality management.

- ❖ The City contracts with the engineering firm of Sunrise Engineering, Inc. for building services in connection with building and other real property development.

Jody Hilton serves as the city building official. The City Building Official is responsible for: plan examination, building inspection, building services coordination, issuance of compliance and stop work orders, fire, health department and local utilities coordination. They are a resource to the city and its boards and committees with respect to building services, public meetings, and miscellaneous building services.

Municipal Type Services Not Provided by Cottonwood Heights

There are some services that are typically provided by a municipality that Cottonwood Heights does not provide. These services are provided directly to the citizens of Cottonwood Heights by other taxing authorities. They are:

- ❖ Salt Lake City Public Utilities Department provides water distribution services to most areas of the city.
- ❖ Jordan Valley Water Conservancy District provides water distribution services to areas of the city not served by the Salt Lake City Public Utilities Department.

COTTONWOOD HEIGHTS INTRODUCTORY SECTION

- ❖ Cottonwood Improvement District provides wastewater collection services to an area that includes the entire city boundary.
- ❖ Wasatch Front Waste & Recycling District (Sanitation) provides refuse removal and recycling services to all areas of the city.
- ❖ Cottonwood Heights Parks and Recreation Service Area provides a recreation facility, athletic fields, recreational parks, swimming pools to members of the special service area; most of whom are Cottonwood Heights' residents, However not all residents of Cottonwood Heights are within the service area boundaries.
- ❖ Salt Lake County Library System provides full service library facilities to Cottonwood Heights' residents.
- ❖ Valley Emergency Communications Center provides dispatch services for both the City Police Department and Unified Fire Authority, who provides services to Cottonwood Heights.

Financial information and policies

Cottonwood Heights' financial statements reflect moderate growth and conservative budgeting practices. During the year, the general fund balance decreased \$290,588 to \$2,136,364, which is 13.77% of the revenues for the 2015 fiscal year. A new municipal energy and sales tax was implemented beginning October 1, 2015 to partially fund ongoing operational & capital needs and will bring in an estimated \$1.85 million annually in new revenue.

Over the past five years, revenues in the general fund increased from \$14,425,086 to \$16,682,941 (inclusive of capital lease proceeds of \$1,168,247). As a City without significant new growth, very little revenue growth is realized from property taxes. Sales tax revenues do increase with economic growth and the City has seen an increase in sales tax revenue of \$499,657 over this same 5 year period. Expenditures of the last five years have increased from \$12,215,851 in FY2010 to \$16,992,353 in FY2015 (inclusive of a capital lease expenditure in FY2015 of \$1,486,565, a financing mechanism not initiated in FY2010). Growth in expenditures has occurred as the City fully establishes services in the areas of public works, public safety, and community development.

In order to maintain proper management and control of taxpayer funds, Cottonwood Heights has adopted a comprehensive set of financial policies. These policies cover areas such as: operating and capital budgeting, debt management, and accounting and financial reporting. Setting and adhering to sound financial policies helped the City receive a very strong AA- bond rating from Standard and Poor's, which is the 2nd highest rating available and helps keep interest costs low. A complete list of these policies is included in our annually adopted budget.

COTTONWOOD HEIGHTS
INTRODUCTORY SECTION

Financial Awards and Acknowledgments

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

This is the fourth year the City will complete and submit the CAFR to the GFOA to determine its eligibility for the Certificate of Achievement for Excellence in Financial Reporting. The award was presented for FY 2014 to David Muir, City Treasurer/Financial Reporting Manager recognizing him as being primarily responsible for preparing an award-winning CAFR. It is valid for a period of one year only. We believe that our current CAFR meets the Certificate of Achievement for Excellence in Financial Reporting requirements.

For the third consecutive year, Cottonwood Heights received the Government Finance Officers Association of the United States and Canada (GFOA) Award for Outstanding Achievement in Popular Annual Financial Reporting to Cottonwood Heights for its Popular Annual Financial Report for the fiscal year ended June 30, 2014. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

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

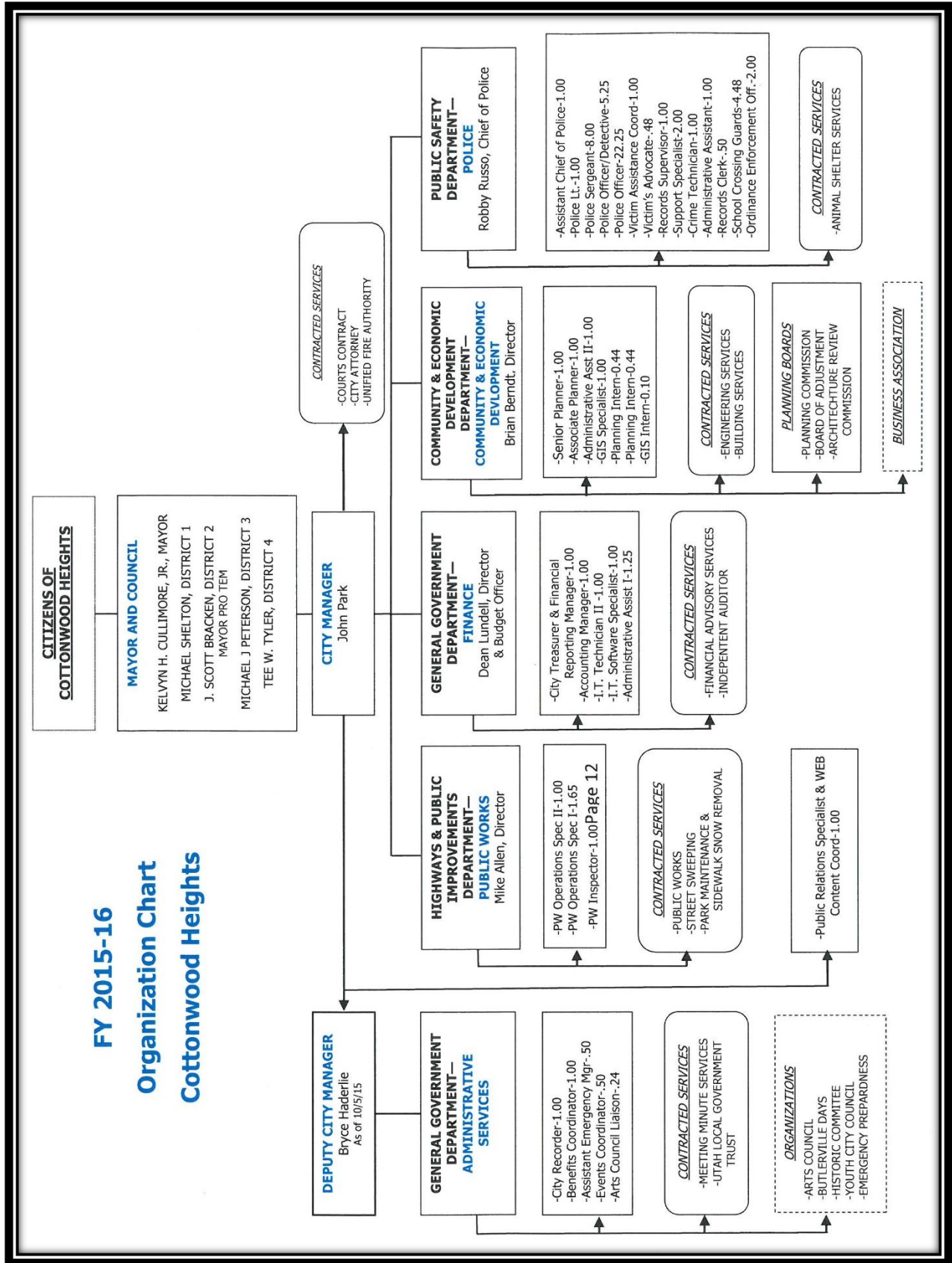


Dean Lundell
Finance Director



John Park
City Manager.

COTTONWOOD HEIGHTS INTRODUCTORY SECTION





INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cottonwood Heights (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Cottonwood Heights, as of June 30, 2015, and the respective changes in financial position, the budgetary comparison for the general fund, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information relating to pensions on pages 12-27, and 64-67, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the

basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cottonwood Heights' basic financial statements. The introductory section, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Fund is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Fund is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Larson & Company, PC
Spanish Fork, Utah
December 15, 2015

COTTONWOOD HEIGHTS MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Cottonwood Heights (the City), we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. 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), identifying any material deviations from the approved budget, and identifying 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 fund balances of \$17,739,951, of which \$7,040,770 is unrestricted and may be appropriated for any future expenditure, is shown on the balance sheet of Governmental Funds on page 32. (See page 21 for complete fund balance analysis.)
 - \$2,136,364 fund balance in the General Fund (\$2,114,670 is unrestricted)
 - \$13,757,744 fund balance in the Capital Projects Fund. Of this balance, \$10,619,536 is restricted as bond proceeds in trust for the new city municipal center construction and \$57,951 are restricted impact fees that are limited for specific uses defined by state law. The balance of \$3,080,357 is unrestricted.
 - \$1,845,843 fund balance in the Community Development Renewal Agency Fund (CDRA) which is unrestricted. These are funds transferred to the CDRA by Salt Lake County Redevelopment Agency during the fiscal year.
- In fiscal year 2015, the City's total net position from governmental activities decreased by \$1,876,805 to \$52,836,129. Additionally, due to GASB 68, a prior period adjustment was recognized due to an actuarially calculated net pension position deficit of \$1,551,033, resulting in the City's total net position of \$51,285,096. Total assets increased by \$12,619,426, and liabilities increased by \$16,047,264 resulting in the net position decrease of \$1,876,805 from operations and the net position decrease from the actuarially calculated net pension position deficit of \$1,551,033. See page 16 "City's Government-wide Financial Analysis" for more details.
- Total net position of \$51,285,096 consists of:
 1. \$45,924,688 in capital assets, such as streets, bridges, land, buildings and other infrastructure, net of related debt and depreciation,
 2. Unrestricted Fund Balance of \$5,302,458. "Unrestricted Funds" is a term that designates the amount of money available for the City Council to spend for future needs. The City Council has indicated their intent for assigning part of this Fund Balance for designated Capital Project use.
 3. Impact Fees of \$57,951.
- The City continues its capital lease used to finance the public safety fleet. This financing also provides for a guaranteed buy-back of the fleet by the vendor every other year. See page 17 and 25 for additional information about the City's capital vehicle lease program.
- In fiscal year 2015, the City obtained \$14,664,340 by issuing Sales Tax Revenue Bonds to finance the construction of the City's Municipal Center. The Municipal Center is currently under construction and is anticipated to be complete in September

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

2016. See page 17 and 25 for additional information about the City's sales tax revenue bonds.

- The General Fund balance decreased by \$290,588, or 11.97 percent of the prior year's fund balance. The Capital Projects Fund increased by \$11,194,959 from last year's ending balance due primarily to the issuance of Sales Tax Revenue Bonds for development of the City Municipal Center.
- The City benefits from both operating grants and operating contributions, and capital grants and capital contributions. As a total of the 2015 budget, these funds accounted for 18.0 percent of total expenditures. Operating grants, comprised mostly of the City's portion of distributed gas tax revenues, are expected to continue from year to year and totaled \$1,543,851 in FY 2015, while capital grants and contributions are typically associated with one-time projects and totaled \$1,968,067 in FY 2015. Summary of grant and contribution revenues received by the City are summarized on the Statement of Activities (see page 31).

OPERATIONAL HIGHLIGHTS

- The City received \$3,511,918 in state and local grants and other contributions, including Class C roads of \$1,088,281 and an intergovernmental contribution of \$1,925,698 from prior Salt Lake County redevelopment funds.
- A small annexation comprising 26 acres of a residential neighborhood known as Old Coventry was completed during the year and will be added to the property tax base in fiscal year 2016. Related additions to the City's capital asset infrastructure were deemed not material and will also be added during the next fiscal year.
- The City Police department in its seventh year continues to have a highly skilled and trained investigative division that has reported successfully clearing 76 percent of all aggravated felony crimes occurring within the city and as a department responds to over 22,949 calls for service. Average response time for priority 1, 911 calls, was just under five minutes.
- Two City Police officers were recognized for their outstanding performances; 2015 Red Cross Hero Award to Officer Casey Davies and 2015 UTORCA (Utah Organized Retail Crime Association) Officer Award to Officer Sam Dawson.
- In addition to numerous street and sidewalk improvement projects, the City completed 647,829 square feet (3.24% of all City roads) of road improvement projects, including asphalt overlays, chip seals and slurry seal treatments. The City eliminated trip hazards, replaced concrete curbs, gutters and sidewalks with citizen participation, installed ADA ramps, and completed many cross gutter improvements.
- The Community and Economic Development department continued to address the future of the Fort Union Boulevard corridor with the establishment of a corridor planning committee.
- The City, in conjunction with Cottonwood Heights Parks and Recreation Service Area, has continued to promote successful community events enjoyed by residents of the city, including Butlerville Days, Easter Egg Hunt and various events such as Bark in the Park and Movies in the Park.

COTTONWOOD HEIGHTS MANAGEMENT'S DISCUSSION AND ANALYSIS

- During this fiscal year, the City produced “Fiddler on the Roof”; the community’s fifth theatre production. Arts grant revenues and ticket sales completely paid for production costs, thereby providing the arts council with funding for other arts events such as “Write for the Heights”, “Winter Song Fest”, drawing & painting show and photography contest.
- The City is continuing a direct mail publication newsletter to the citizens of Cottonwood Heights to improve communications with the citizens of the city, along with development of other social media including Twitter & Facebook.
- Brian Berndt, Community & Economic Development Director, was awarded Best of State award for City Planner during fiscal year 2015.
- The Cottonwood Heights Business Association was formally started in 2015, and has continued a business development program, an economic development banner program, and continuing the business outreach program through networking events such as luncheons, open houses, ribbon cuttings and business spotlights.
- Community and Economic Development is creating various business assistance publications including a City annual magazine and up-to-date commerce/market guide, and hosting training sessions for business owners in the city. Streamlining the business licensing process while creating connections with new business owners in the city.
- For the first time, the City issued tax revenue bonds. Cottonwood Heights obtained a very strong AA- bond rating from Standards and Poor, due to the sound financial management practices. This strong rating helped the City secure low interest rates on the bonds issued to finance the building of the City’s Municipal Center.
- The City has been the recipient for eight consecutive years of the Distinguished Budget Presentation Award from the Government Finance Officers Association for excellence in budgeting. This award is the highest form of recognition in governmental budgeting.
- The Finance department for the third time has received the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2014. This certificate is the highest form of recognition in governmental accounting and financial reporting for completion of the comprehensive annual financial report. The City has received this recognition each year it has compiled a CAFR and submitted it for examination.
- The Finance department has also been the recipient of the Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended June 30, 2014. 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 third year the City has received this award.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

COTTONWOOD HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide financial statements (defined)

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

- ***The statement of net position*** presents information on all of Cottonwood Heights' assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Cottonwood Heights is improving or deteriorating. However, the reader will also 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 city are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Cottonwood Heights currently has three major governmental funds (as determined by generally accepted accounting principles), the General Fund, the CDRA Fund and the Capital Projects Fund. The City also has one proprietary fund, the Employee Benefit Fund (an internal service fund). ***Cottonwood Heights currently has no Fiduciary Funds.***

- ***Governmental funds*** – These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These 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. These funds are reported using a modified accrual accounting method, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. 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

COTTONWOOD HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Activities) and governmental funds is described in a reconciliation included with the fund financial statements.

- ***Proprietary funds*** – Cottonwood Heights maintains one proprietary fund, the Employee Benefit Fund (an internal service fund). This fund is an accounting device used to accumulate funding for and allocate costs for accrued paid time off (PTO) among the City's various functions. This fund provides the resources needed to pay out accrued vested PTO benefits without negatively impacting budgets in the year a payout occurs.

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 41-62 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 \$51,285,096 at the close of fiscal year ended June 30, 2015.

Cottonwood Heights was incorporated on January 14, 2005, the table below provides a comparison of the City's net position for each of the last ten years. As of June 30, 2015, assets exceed liabilities by \$51,285,096. This represents a decrease of \$3,427,838 in total net position when compared to the City's net position on June 30, 2014. A prior period adjustment decrease of \$1,551,033 was recorded due to a change in GASB 68 reporting requirements of recognizing actuarial calculations of pension assets and liabilities and net pension position. The remaining decrease of \$1,876,805 is from governmental activities.

Total assets increased by \$12,619,426, in large part due to the sales tax revenue bonds issued. This increase reflects approximately \$12,125,159 additional current and other assets, combined with a \$494,268 net increase in capital assets. Total liabilities, with deferred outflows and inflows, increased by \$16,047,264 (also in large part due to the sales tax revenue bond debt service).

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

**Cottonwood Heights
Net Position
As of June 30th**

Governmental Activities

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Current and other assets	19,672,850	7,547,692	8,815,212	9,252,872	10,733,280	11,381,551	11,515,031	12,125,491	11,592,480	7,925,989
Capital assets	51,067,783	50,573,515	48,358,186	50,663,924	50,381,615	45,496,093	46,658,405	45,776,089	45,037,315	45,516,630
Total assets	70,740,633	58,121,207	57,173,398	59,916,796	61,114,895	56,877,644	58,173,436	57,901,580	56,629,795	53,442,618
Deferred Pension Contributions	467,108									
Total deferred outflow of resources	467,108									
Current and other liabilities	3,014,087	1,650,050	689,061	1,475,503	870,373	1,296,763	1,500,322	1,786,048	2,053,933	708,547
Long-term liabilities outstanding	16,146,072	1,151,899	1,458,533	978,426	1,208,919	836,113	977,413	46,769	2,280,164	2,410,976
Total liabilities	19,160,159	2,801,949	2,147,594	2,453,929	2,079,292	2,132,876	2,477,735	1,832,817	4,334,097	3,119,523
Deferred uncollected property taxes	146,024	151,865	173,500	383,534	362,991	293,982				
Deferred property tax revenue	443,592	454,459	488,895	486,101	421,674	419,856				
Deferred pension inflows	172,871									
Total deferred inflows of resources	762,487	606,324	662,395	869,635	784,665	713,838				
Net position:										
Net investment in capital assets	45,924,687	49,739,198	47,215,683	49,934,834	49,425,939	44,831,195	45,831,420	45,776,089	45,027,267	45,496,011
Restricted	57,951	148,081	100,102	165,949	101,949	203,271	222,737	223,950	253,555	183,275
Unrestricted	5,302,458	4,825,654	7,047,623	6,492,450	8,723,050	8,996,464	9,641,544	10,068,724	7,014,876	4,643,809
Total net position	51,285,096	54,712,934	54,363,409	56,593,233	58,250,938	54,030,930	55,695,701	56,068,763	52,295,698	50,323,095

Assets

The largest portion of Cottonwood Heights' net position, \$45,924,687, reflects investment in capital assets (e.g., land, 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 City's \$57,951 in Impact Fees collected from development projects are restricted for the purpose they were collected. The remaining balance is unrestricted net position totaling \$5,302,458 and may be used to meet the City's ongoing obligations and objectives by fund type. (This year, the City's nonspendable assets for prepaid expenses \$21,694 made in fiscal year 2015 for the benefit of fiscal year 2016 have been included in unrestricted net position. In previous years this small amount each year was included in restricted net position.)

Liabilities

On July 2, 2014, the City issued a Sales Tax Revenue Bond for \$14,664,340 to finance the construction of the City's Municipal Center. \$894,340 of this amount is a premium on the bond and will be amortized over the 25 year life of the bond. As of June 30, 2015 outstanding principal on the bond is \$14,628,863 with accrued interest of \$583,490.

Additionally, the City has a capital lease for the purchase of police vehicles with a current principal amount due of \$1,133,769. Cottonwood Heights regularly deploys public safety vehicles with a two year lease, which includes a guaranteed buy-back with the original dealership. Each two years there is an original down payment and one additional payment one

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

year into the lease. At the end of the two year lease purchase, the dealer re-purchases the vehicles for a previously agreed amount, usually clearing the remaining balance in full. This year the City paid \$330,000, as a down payment for the current vehicle lease.

Other long-term obligations come from the Proprietary Fund accrual for earned Personal Time Off. Further details about the City's long-term debt can be found in the Notes to the Financial Statements, note 3F on page 54.

The City's government-wide financial statements can be found on pages 30-31 of this report.

Governmental activities analysis

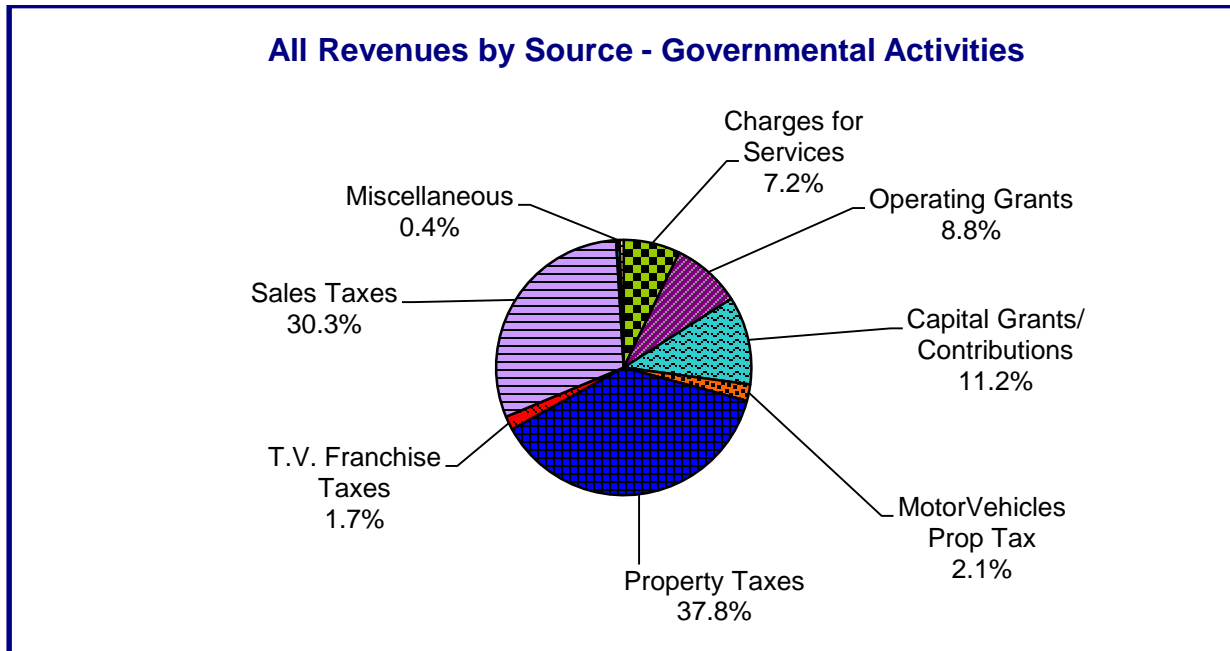
As reported above, governmental activities decreased the City's net position by \$1,876,805, along with a prior period decreasing adjustment of \$1,551,033 for net pension position resulted in a total net position of \$51,285,096. The table below provides a yearly comparative analysis of revenues and 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 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
Revenues:										
Program revenues:										
Charges for services	1,262,945	1,370,453	1,276,583	1,178,211	1,303,792	1,139,154	906,778	1,008,286	933,977	962,497
Operating grants/contrib	1,543,851	1,563,158	1,611,020	1,504,103	1,638,949	1,500,970	1,465,430	1,475,184	1,362,266	1,289,841
Capital grants/contrib	1,968,067	3,484,303	231,783	25,185	312,815	565,786	1,025,779	941,105	33,579	2,532,080
Total program revenues	4,774,863	6,417,914	3,119,386	2,707,499	3,255,556	3,205,911	3,397,987	3,424,575	2,329,822	4,784,418
General revenues:										
Property taxes	7,013,211	7,075,483	7,345,159	6,994,192	6,926,106	6,812,942	6,914,705	6,980,872	6,935,453	2,858,039
Sales & hotel taxes	5,342,297	5,231,303	5,030,007	4,749,551	4,558,144	4,634,999	4,847,677	5,414,341	5,567,486	4,748,086
Other taxes				43,515	46,230	35,236	33,563	39,738	29,926	23,601
Franchise taxes	305,641	303,918	296,450	278,444	267,999	256,667	250,660	235,671	214,766	187,077
Unrestricted invest earn	91,956	37,394	36,859	53,935	46,773	59,298	187,488	515,432	456,134	233,637
Other - Intergov	-	-	-	-	4,481,899	-	-	1,500	6,248	500,000
Other - Gain (Loss) on surplus	18,824	12,000	-	(91,970)	(41,942)	-	-	(736)	-	-
Other - Miscellaneous	57,422	48,200	55,735	41,145	(440,952)	29,816	53,944	4,589	7,503	405
Total general revenues	12,829,353	12,708,298	12,764,210	12,068,812	15,844,257	11,828,959	12,288,036	13,191,407	13,217,517	8,550,846
Total revenues	17,604,217	19,126,212	15,883,597	14,776,311	19,099,813	15,034,869	15,686,023	16,615,982	15,547,339	13,335,264
Expenses:										
General government	2,420,606	2,902,400	2,863,918	2,699,564	2,084,427	2,331,589	2,140,589	1,972,270	3,421,036	1,328,701
Public safety	9,025,584	8,932,299	8,760,565	8,360,970	7,685,600	8,073,608	8,015,001	6,780,298	6,339,016	5,730,383
Highways-public imprv	6,428,742	5,957,314	5,773,855	4,728,329	4,485,274	5,707,937	5,309,932	3,469,794	3,197,851	3,309,743
Comm & econ dev	1,058,098	970,886	695,759	626,956	602,502	524,665	566,802	620,300	616,335	821,760
Interest long-term debt	547,992	13,788	19,324	18,197	22,003	26,840	26,761	254	498	47,805
Intergovernmental	-	-	-	-	-	35,000	-	-	-	-
Total expenses	19,481,022	18,776,687	18,113,421	16,434,017	14,879,806	16,699,639	16,059,085	12,842,916	13,574,736	11,238,391
Change in net position	(1,876,805)	349,525	(2,229,824)	(1,657,706)	4,220,007	(1,664,770)	(373,062)	3,773,066	1,972,603	2,096,873
Net position - beginning	54,712,934	54,363,409	56,593,233	58,250,938	54,030,930	55,695,701	56,068,763	52,295,698	50,323,095	48,226,222
Prior Period Net Pension Adj	(1,551,033)									
Net position - ending	51,285,096	54,712,934	54,363,409	56,593,233	58,250,938	54,030,930	55,695,701	56,068,763	52,295,698	50,323,095

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 2015 year.

COTTONWOOD HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS

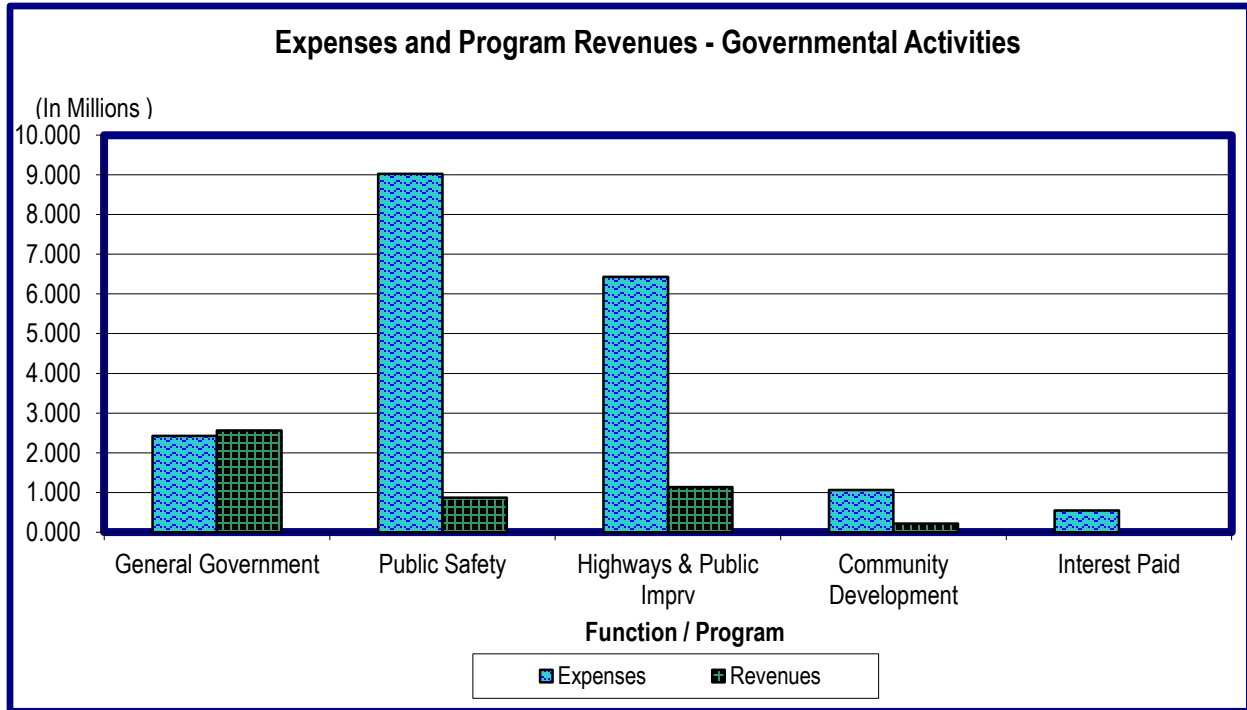


Current year revenue sources were from:

\$7,013,211	Property Tax (including motor vehicle fee in lieu) revenues (39.8%),
\$5,342,297	Sales and Transient Room Taxes (30.3%),
\$ 305,641	Cable TV Franchise tax (1.7%),
\$1,543,851	Operational Grants (8.8%) (Class C road funds (70.5% of category), E911 Emergency telephone fee, State Liquor tax and CDBG funds) (Note: These operational grants have remained relatively constant year to year and represent identifiable sources of revenue that are anticipated to continue to be available for the foreseeable future.)
\$1,262,945	Charges for Service (Licenses, Permits and Court fines) (7.2%).
\$1,968,067	Capital Grants for trail & park improvements and additional Impact Fees (11.2%) These grants are specific and awarded based on merit of applications submitted. These grants are project specific and have little effect on the basic operational functions of the City.
\$ 91,956	Investment interest earnings and miscellaneous (0.5%)
\$ 76,246	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 31 for detail data.)

COTTONWOOD HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS



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

Public Safety – Public Safety revenues include \$296,984 of E-911 Emergency telephone fees and \$528,102 City share of court fines (revenue from citations). Expenses are for Police, Fire, Animal Services and related public safety functions. (Note: Related Court expenses are \$351,465, netting only \$176,637 in revenues, which is equal to only 3.4 percent of the Police department expenses.)

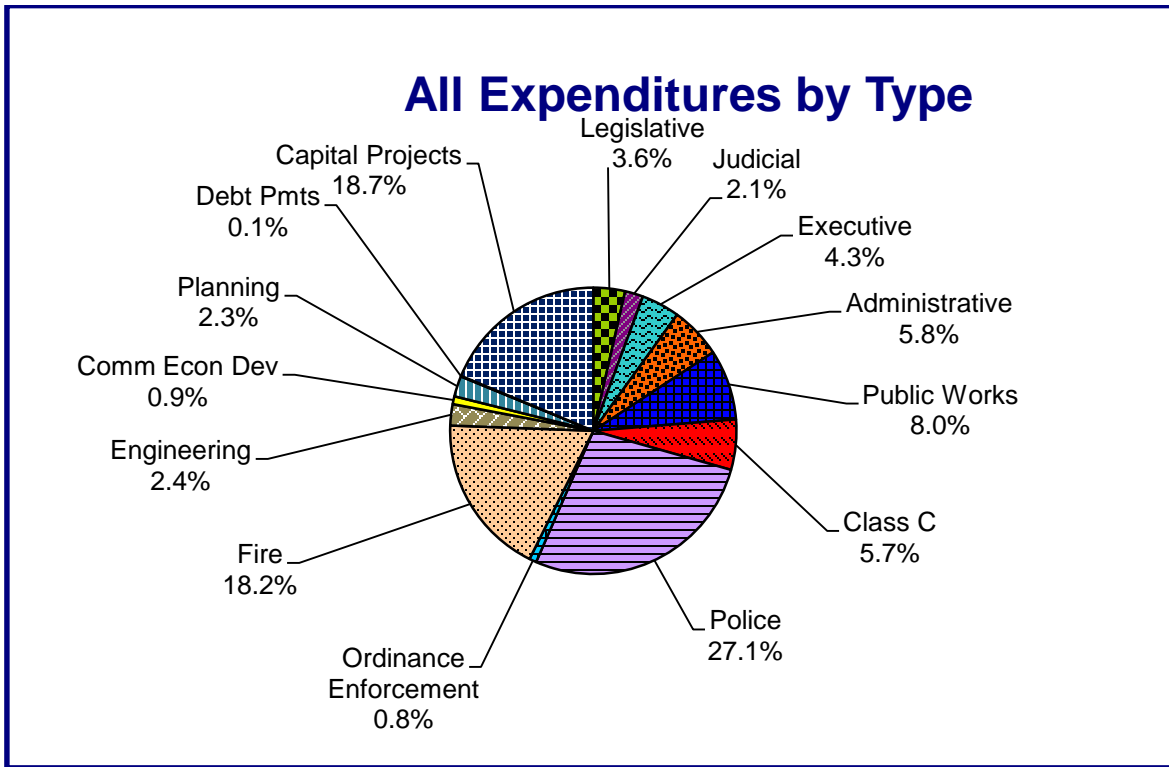
Highway & Public Improvements - The revenue for Highway & Public Improvements is primarily from Class C Road Funds allocated to the City from the state assessed tax on gasoline sales. Approximately 41.5 percent of the expenses shown for Highways & Public Improvements is attributable to current period depreciation of the City’s infrastructure assets. The balance is for road, sidewalk, bridge and other infrastructure improvements, including the purchase of land for the Municipal Center.

Community Development – Revenues come from additional charges for services related to planning and zoning functions and expenses are also directly related to these services.

Interest Paid - \$547,992 interest expense was paid or accrued on outstanding debt.

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 34 for expenses without depreciation.)

COTTONWOOD HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS



General Government - includes the activities of Legislative (\$686,024), Judicial (\$394,452), Executive (\$828,907) and Administrative (\$1,115,871).

Public Safety - includes the activities of Police (\$5,206,890), Ordinance Enforcement (\$145,643) and Fire (\$3,499,487).

Highways and Public Improvements – includes the activities of Public Works (\$1,526,586) and Class C Roads (\$1,088,281).

Community and Economic Development - includes the activities of city Engineer (\$460,858), Economic Development (\$169,862) and Planning (\$444,962).

Capital Projects Fund - includes all Capital Improvement Projects (\$3,593,233).

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

COTTONWOOD HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS

financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for appropriation at the end of the fiscal year.

Governmental fund balance is reported in three major categories resulting in five separate direct categories: Nonspendable, Restricted, Unrestricted (which can be shown as Committed, Assigned and Unassigned). Nonspendable 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 \$17,739,951 after ten and one half years of operation, an increase of \$12,766,215 from the prior year. The increase is primarily attributable to a Sales Tax Revenue Bond for the City Municipal Center. Of the total fund balance of \$17,739,951, \$21,694 is non-spendable and represents prepaid expenditures for fiscal year 2016 events, \$10,619,536 is restricted as Bond Funds in Trust, \$57,951 is restricted as Impact Fees, and the remaining \$7,040,770 is unrestricted funds of which \$3,080,257 is assigned as Capital Project funds and allocated to various specific projects, \$1,845,843 is assigned as CDRA funds, and \$2,114,670 is the remaining unrestricted balance in the General Fund.

- The **General Fund** is the chief operating fund of the City. As of June 30, 2015 the General Fund had a fund balance of \$2,136,364 of which \$21,694 is non-spendable, and \$2,114,670 was classified as unrestricted. 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 12.4 percent of total expenditures and transfers, while the total fund balance equals 12.6 percent. The City ordinance chapter 2.150.11 as adopted by the City Council requires a desired target minimum fund balance of 6.0 percent. State law requires a 5 percent minimum balance for restricted use as required by state statute. State law also requires appropriation of any fund balance in excess of the 25.0 percent maximum allowed. Currently, the calculated 6.0 percent minimum fund balance is \$1,040,168 and remaining unrestricted balance of \$1,074,502 meets the State requirement of a maximum fund balance no greater than 25.0 percent.
- Another governmental fund is the **Capital Projects Fund**. This fund is specifically used to budget capital improvements. As of June 30, 2015, the fund balance is \$13,757,477, of which \$10,619,536 is restricted for construction of the Municipal Center and \$57,951 is restricted Impact fees collected to make infrastructure improvements. This fund had an unrestricted fund balance of \$3,080,257. This unrestricted balance is an increase of \$661,945 from the prior year-end and is primarily due to unspent budgeted funds and reimbursement of prior year land purchases from current year bond proceeds. For specific details see supplementary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects Fund on page 69.

COTTONWOOD HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS

- The newly enacted **Community Development Renewal Agency (CDRA) Fund** has been established to provide a funding mechanism to participate in developments with approved projects that provide a needed public purpose. The current unrestricted fund balance of \$1,845,843 is the result of a contribution from Salt Lake County RDA funds collected within the boundaries of Cottonwood Heights prior to the City's incorporation. For specific details see Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Community Development Renewal Agency on page 37.

The City's basic governmental funds financial statements can be found on pages 30-40 of this report.

Proprietary Funds Analysis

The focus of the City's only proprietary fund, **Employee Benefit Fund (an internal service fund)**, is to accumulate funds to pay employees for unused, but accrued paid time off (PTO) at the time of separation. This fund is designed to minimize or altogether eliminate any budgetary impact in a subsequent year when a payout is required. At the end of each fiscal year, a liability estimate is made based on individual accruals and current wage rate of each employee. The total liability is then compared with the current liability balance in the Employee Benefit Fund (an internal service fund) and any additional liability is charged to the current year's expenditures in the governmental funds.

The City's basic proprietary fund financial statements can be found on pages 38-40 of this report.

GENERAL FUND 2015 BUDGET HIGHLIGHTS

During the fiscal year the original General Fund budget was amended by \$534,701 as shown in the detail below. See also the Statement of Revenues, Expenditures and Changes in Fund Balance – Budgeted and Actual on page 36.

As the fiscal year 2014 ending fund balances were calculated, they were made available for the 2015 fiscal year General Fund budget, which was then amended to capture the higher beginning fund balances from the completed fiscal year 2014 financial statements. These changes included an increase in unrestricted beginning balance appropriated funds of \$331,385 resulting in a total amended budget of beginning fund balance appropriation from the prior fiscal year of \$802,448. Additional budget amendments included \$88,660 contribution from the Capital Projects Fund and an \$85,000 use of funds to the CDRA Fund. The final FY 2015 budget, as amended, anticipated spending \$802,448 of available fund balances, but only \$290,588 was actually used.

The changes in the fiscal year 2015 budget in individual departmental appropriations occurred as revenue projections were refined and additional matching departmental expenditures were refined to fulfill operational goals. The chart below outlines both revenue and expenditure changes made during the fiscal year.

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

Actual expenditures during this fiscal year in the General Fund departments were equal to or 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 36 of this report.

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

Increase State/Local Grants and Donations estimate	70,807
Increase CDBG Grant estimate	8,369
Increase Sponsorship, Ticket/Concessions/Surplus Property Sales estimate	<u>16,042</u>
Total change in budgeted Revenues	<u>\$95,218</u>
Increase in source of revenues – Contribution from Capital Projects Fund	88,660
Increase for Sale of Capital Assets	19,838
Increased use of actual FY 2014 year-end unrestricted fund balance	<u>331,385</u>
Net change in budgeted revenues/other sources	<u>\$ 534,701</u>

Expenditures and Other Uses of Funds were amended for the following:

All Departments:

General Government Department:

Mayor & City Council	(2,794)
Legislative Committees / Events – adjust arts council expenditures	63,448
Emergency Management – adjust general expenditures	(1,469)
Information Systems	35,000
Courts	(10,000)
Liquor Funds	10,000
Finance	1,601
City Attorney	16,479
Administrative Services	30,571

Public Safety:

Police –	69,033
Ordinance Enforcement	1,927

Highways and Public Improvements

Public Works – road salt	220,839
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Community and Economic Development

Economic Development	22,139
Planning	(665)
Engineering, Inspection and Permitting	<u>(6,407)</u>

Total Change in Departmental Budgets

\$449,701

Transfer - to Community Development Renewal Agency fund

85,000

Net change in budgeted expenditures/other uses

\$534,701

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

Cottonwood Heights' investment in capital assets for its governmental activities as of June 30, 2015 amounted to \$45,924,688 (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 right-of-ways), buildings, equipment and vehicles, net of capital leases.

**Cottonwood Heights' Capital Assets
(Net of related debt)**

	Governmental Activities					
	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2012</u>	<u>FY 2011</u>	<u>FY 2010</u>
Equipment	\$ 286,669	\$ 376,890	\$ 536,035	\$ 814,612	\$ 1,023,366	\$ 939,477
Vehicles	1,426,380	1,243,508	1,596,319	1,150,035	1,375,227	1,113,471
Buildings	526,890					
Land (non-infrastructure)	8,180,505	8,065,509	4,174,551	4,688,944	4,675,905	530,492
Infrastructure - Roads	7,582,292	9,712,252	10,716,473	12,786,504	14,644,587	15,258,919
Infrastructure - Bridges	560,794	594,191	627,589	660,987	694,384	727,782
Infrastructure - Parkways	8,319,897	6,802,833	6,901,923	6,730,582	4,323,900	3,330,603
Infrastructure - Storm Drains	1,467,308	1,061,285	1,088,250	1,115,215	927,200	878,302
Infrastructure - Land	22,717,047	22,717,047	22,717,047	22,717,047	22,717,047	22,717,047
Total (net of depreciation)	<u>51,067,783</u>	<u>50,573,515</u>	<u>48,358,186</u>	<u>50,663,924</u>	<u>50,381,615</u>	<u>45,496,093</u>
Less Debt (net of funds in trust)	(5,143,095)	(834,317)	(1,142,503)	(729,090)	(955,676)	(664,898)
Total Capital Assets (net of related debt)	<u>\$ 45,924,688</u>	<u>\$ 49,739,198</u>	<u>\$ 47,215,683</u>	<u>\$ 49,934,834</u>	<u>\$ 49,425,938</u>	<u>\$ 44,831,195</u>

Capital asset additions during this fiscal year included the following for a total increase of \$3,106,728 including Work In Progress (WIP) on several projects:

\$ 22,066	in infrastructure from road overlay and construction projects (prior WIP transferred to Parkways)
\$ 437,854	in storm drain repair and installations
\$ 1,966,171	in parkway beautification and improvements includes crosswalks, cross-gutters, street lighting (includes a transfer of WIP from Roads)
\$ 526,890	in Building (development and construction of City Municipal Center)
\$ 38,751	in vehicle purchases including police and public works
\$ 114,995	in land purchase activity for City Municipal Center site.

Additional information on assets of the City can be found in the Notes 3D Capital Assets on page 53 of this report.

Long-term debt

As of June 30, 2015 the City had \$16,146,072 in governmental long-term debt. \$383,440 of this amount is a long-term liability in the Employee Benefit Fund (an internal service fund) for earned employee paid time off accruals and is fully funded through cash on hand in the fund. \$1,133,769 of the long term debt is a capital lease to fund the purchase of police vehicles, which the City does every other year. The balance of the Capital Lease for the police vehicles is due in July 2016, and the balance of the lease will be paid through the contractual repurchase of the vehicles by the car dealer. Some minor adjustments to the repurchase price may be made for

COTTONWOOD HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS

mileage and vehicle condition. \$14,628,863 of the governmental long-term debt is related to the July, 2015 Sales Tax Revenue Bond issued to construct the City's Municipal Center. This bond is payable over 25 years. The first principal payment of \$65,000 was due July 2, 2015 along with \$583,489.95 interest. The second semi-annual payment is due January 2, 2016.

Additional information on the outstanding debt obligations of the City can be found in the Notes 3F Long-Term Debt on pages 54-55 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND TAX RATE

- Cottonwood Heights' adopted tax rate for the 2015-16 budget year is .002239. This is the Certified Tax rate calculation defined by the State Legislature. The rate was adopted by the City as allowed without the need for a truth-in-taxation hearing. The locally assessed taxable valuation in Cottonwood Heights is estimated at \$2,947,952,205, including \$72,479,827 of new growth in valuation. The adopted tax rate should yield approximately \$6,600,465 in 2015 property tax revenue for the coming 2016 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 2015. The original budgeted amount of Sales taxes for fiscal year 2015 is \$5,500,000. This compares to actual total sales tax revenue from prior years of \$5,319,432 in fiscal 2015. The City continues to budget sales taxes conservatively as a hedge against any future reversals in the economy. Actual results for the past 4 years have shown year over year increases of 2.22 – 6.03 percent. Initial results in the first few months for FY 2016 have shown increases higher than these prior years.
- At the time of preparing the fiscal year 2016 budget, Class C Road Funds were believed to be stabilizing. The budget was set at \$1,190,000, which is approximately a 9 percent increase over the prior year, due in part to an increase in the gas tax imposed by the state legislature in the 2015 legislative session, with an effective date of January, 2016.
- The 2015-16 budget has been constructed with a focus on efficient and effective use of the limited resources available. Beginning October 1, 2015 the City implemented a new Energy Use Tax on electrical and natural gas billings. The City waited over 10 years prior to implementing this source of revenue. All other cities with a population over 15,000 in the State of Utah previously imposed this tax for years.
- Capital Project Funds are allocated to specific projects that may or may not be expended in the fiscal year. Presently, \$2,133,205 of Capital Project Funds are allocated in the 2015-16 fiscal budget along with remaining bond proceeds of \$10,056,736 and \$278,625 of General Fund contribution for a total Capital Project Fund expenditure budget of \$13,060,116. However, as has been the pattern in year's past, a significant portion of this amount will likely not be spent fully in any one year.
 - Projects are defined by the Capital Facilities Plan and the priority of projects determined by the City Council.
 - The ending fund balance in the Capital Projects Fund from the fiscal year 2015 is \$13,757,744, inclusive of \$10,619,536 of bond proceeds held in trust and other

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

funds from unfinished projects, resulting in \$\$3,080,257 in unrestricted funds, of which \$947,052 of funds will be re-allocated through a budget adjustment to unfinished projects in fiscal year 2016.

- The City Municipal Center project is a significant project for fiscal year 2016 and accounts for \$10,056,736 of the total capital projects budget. Due to underspend in fiscal year 2015, there is \$562,800 to be carried forward from fiscal year 2015 for this project. While the construction will run through Fiscal Year 2017 and payments from this fund will also run through that period, a portion of this budgeted expenditure will carry over to fiscal year 2017.
- Other significant construction projects that are contemplated to be started during fiscal year 2016 are;
 - Bengal Boulevard project, budgeted at \$1,092,874
 - Public Works Site and Yard improvements project, budgeted at \$1,031,500.
- To the extent any of these projects are not completed in fiscal year 2016, the funds will be carried over to Fiscal Year 2017.
- Health insurance premiums continue to escalate. The City, through brokerage services negotiated the best rates available for our user population. The City in addition to offering a traditional health care plan 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 1 system at the rates approved. This year no increase or decrease was approved for either Tier 1 system employees. The City does contribute through the URS 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 through a 401k the same percentage contributions for those City employees as defined by their individual contracts: 11.86 percent for post retired from the public employees system and 25.49 percent for post retired from the public safety employees system.
- As mandated by the Utah State Legislature, the City will also contribute retirement contributions for employees in the Tier 2 system at the rates approved. This year there was a rate decrease from 16.72 percent to 16.69 percent for non-public safety employees and no change for Tier 2 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 1 system will be enrolled in the Tier 2 retirement system.

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, 1265 Fort Union Blvd, #250, Cottonwood Heights, UT 84047.

COTTONWOOD HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS

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BASIC FINANCIAL STATEMENTS

COTTONWOOD HEIGHTS
FINANCIAL SECTION

Cottonwood Heights, Utah
Statement of Net Position
June 30, 2015

	Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	\$7,586,992
Receivables (net of allowances)	1,378,869
Prepays	21,694
Net Pension asset	7,808
Restricted Cash and cash equivalents	10,677,487
Capital assets not being depreciated:	
Land and rights of way	30,897,551
Capital assets, net of accumulated depreciation:	
Buildings and systems	526,890
Improvements other than buildings	286,669
Vehicles	1,426,380
Infrastructure	17,930,291
Total assets	\$70,740,633
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension	486,859
Total deferred outflows of resources	486,859
LIABILITIES	
Accounts payable and other current liabilities	\$473,683
Accrued liabilities	962,880
Nonspendable collections	98,963
Net pension obligation	1,478,561
Non-current liabilities:	
Due within one year	380,514
Due in more than one year	15,765,558
Total liabilities	19,160,158
DEFERRED INFLOWS OF RESOURCES	
Deferred uncollected property tax revenue	146,024
Deferred property tax revenue	443,592
Deferred pension inflows	192,622
Total deferred inflows of resources	782,238
NET POSITION	
Invested in capital assets, net of related debt	45,924,687
Restricted for:	
Impact Fees	57,951
Unrestricted	5,302,458
Total net position	\$51,285,096

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

COTTONWOOD HEIGHTS
FINANCIAL SECTION

Cottonwood Heights, Utah
Statement of Activities
For the Year Ended June 30, 2015

Function / Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position Primary Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary Governmental activities				
General government	\$ 2,420,606	\$ 517,531	\$ 115,600	\$ 138,223
Public safety	9,025,584	528,102	339,970	(8,157,512)
Highways and public improvements	6,428,742	-	1,088,281	(5,298,092)
Community and economic development	1,058,098	217,312	-	(840,786)
Interest on long-term debt (net of	547,992	-	-	(547,992)
Total governmental activities	\$ 19,481,022	\$ 1,262,945	\$ 1,543,851	(14,706,159)
General revenues:				
Property Tax				6,646,536
Sales Taxes				5,342,297
Motor Vehicle Fee-In-Lieu				366,675
Franchise Tax				305,641
Unrestricted investment earnings				91,956
Lease Buyback Rev (offsetting disposed assets)				18,824
Miscellaneous				57,422
Total general revenue and transfers				12,829,353
Changes in net position				(1,876,805)
Net position - beginning, as previously reported				54,712,934
Adjusted for prior net pension position				(1,551,033)
Net position - beginning, as adjusted				53,161,901
Net position - ending				\$ 51,285,096

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

**COTTONWOOD HEIGHTS
FINANCIAL SECTION**

**Cottonwood Heights, Utah
Balance Sheet
Governmental Funds
June 30, 2015**

	General Fund	Capital Projects Fund	Community Dev Renewal Agency Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	2,277,452	3,080,257	1,845,843	\$7,203,552
Accounts receivables (net):	1,378,869			\$1,378,869
Prepays	21,694			\$21,694
Restricted cash and cash equivalents		10,677,487		\$10,677,487
Total assets	3,678,016	13,757,744	1,845,843	\$19,281,603
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	473,683			\$473,683
Accrued liabilities	379,390			\$379,390
Nonspendable collections	98,963			\$98,963
Total liabilities	952,035			\$952,035
 DEFERRED INFLOWS OF RESOURCES				
Deferred uncollected property tax revenue	146,024			\$146,024
Deferred property tax revenue	443,592			\$443,592
Total deferred inflows of resources	589,616			\$589,616
 Fund balances:				
Nonspendable:				
Prepays	21,694			\$21,694
Restricted for:				
Bond Funds in Trust		10,619,536		\$10,619,536
Impact Fees		57,951		\$57,951
Unrestricted:				
Assigned:				
Capital Improvement		3,080,257		\$3,080,257
CommDev Renewal Agency			1,845,843	\$1,845,843
Unassigned:				
General Fund	2,114,670			\$2,114,670
Total fund balances	2,136,364	13,757,744	1,845,843	\$17,739,951
Total liabilities, deferred inflows of resources and fund balances	3,678,016	13,757,744	1,845,843	\$19,281,603

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

COTTONWOOD HEIGHTS
FINANCIAL SECTION

Cottonwood Heights, Utah
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2015

Total fund balances - governmental fund types: \$ 17,739,951

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

Capital assets used in governmental activities are not financial resources; therefore, they are not reported in the funds. 51,067,783

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. (16,346,122)

Net pension liabilities and assets are not available resources and, therefore are not reported in the funds. (1,176,517)

Net position of governmental activities \$ 51,285,096

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

**COTTONWOOD HEIGHTS
FINANCIAL SECTION**

Cottonwood Heights, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	Capital Projects Fund	Community Dev Renewal Agency Fund	Total Governmental Funds
REVENUES				
Taxes:				
Property	6,643,805		2,731	\$6,646,536
Sales	5,319,432			\$5,319,432
E-911 Emergency Fees	296,984			\$296,984
Motor Vehicle Fee-in-lieu (prop. tax)	366,675			\$366,675
Franchise - Cable TV	305,641			\$305,641
Transient Room	22,865			\$22,865
Licenses and Permits	517,531			\$517,531
Intergovernmental:				
Federal Grant	32,435			\$32,435
State Grants	55,211			\$55,211
State Class C Roads	1,088,281			\$1,088,281
State Liquor Fund Allotment	42,986			\$42,986
Local Grants	27,954			\$27,954
Intergovernmental			1,925,698	\$1,925,698
Charges for Services	217,312			\$217,312
Fines and Forfeitures	528,102			\$528,102
Investment Earnings	1,224	88,317	2,414	\$91,956
Miscellaneous	48,255	9,167		\$57,422
Total revenues	15,514,694	97,484	1,930,843	\$17,543,021
EXPENDITURES				
Current:				
General Government	3,025,254			\$3,025,254
Public Safety	8,826,324			\$8,826,324
Highways and Public Improvements	2,566,095	412,370		\$2,978,465
Community and Economic Development	990,682		85,000	\$1,075,682
Debt Service:				
Interest	13,966			\$13,966
Capital Outlay:				
General Government		627,421		\$627,421
Public Safety	34,696			\$34,696
Highways and Public Improvements	48,772	2,553,442		\$2,602,214
Capital Lease - Public Safety	1,486,565			\$1,486,565
Total expenditures	16,992,353	3,593,233	85,000	\$20,670,586
Excess (deficiency) of revenues over (under) expenditures	(1,477,659)	(3,495,749)	1,845,843	(\$3,127,565)
OTHER FINANCING SOURCES (USES)				
Sources:				
Impact Fees		42,369		\$42,369
Proceeds from Capital Leases	1,168,247			\$1,168,247
Proceeds from Bonds		14,664,340		\$14,664,340
Sale of Capital Assets	18,824			\$18,824
(Uses):				
Total other financing sources (uses)	1,187,071	14,706,708		\$15,893,780
Net change in fund balances	(290,588)	11,210,959	1,845,843	\$12,766,215
Fund balance - beginning of year	2,426,952	2,546,784		\$4,973,736
Fund balance - end of year	2,136,364	13,757,744	1,845,843	\$17,739,951

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

**COTTONWOOD HEIGHTS
FINANCIAL SECTION**

**Cottonwood Heights, Utah
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015**

Net changes in fund balances - total governmental funds \$ 12,766,215

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

Capital outlays	4,750,896
Depreciation	(3,122,196)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations):

Asset deletions	(1,644,168)
Depreciation deletions	509,735

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and

Sales Tax Revenue Bond	(13,770,000)
Bond Premium	(894,340)

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

Principal payments on capital lease	868,499
Proceeds from new capital leases	(1,168,247)

Some expenses reported in the statement of activities do not require

Pension Net Position Adjustment	374,517
Interest Expense (net of Bond Premium amortization)	(547,716)

Change in net position of governmental activities	\$ (1,876,805)
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The notes to the financial statements are an integral part of this statement.

**COTTONWOOD HEIGHTS
FINANCIAL SECTION**

Cottonwood Heights, Utah
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2015

Description	Budgeted Adopted Budget	Amounts Final Budget	Fund Actuals (Budgetary Basis) (See Notes)	Variance with Final Budget
REVENUES				
Taxes:				
Property	6,589,477	6,589,477	6,643,805	54,328
Sales	5,300,000	5,300,000	5,319,432	19,432
E-911 Emergency Fees	265,000	265,000	296,984	31,984
Motor Vehicle Fee-in-lieu	390,000	390,000	366,675	(23,325)
Franchise - Cable TV	331,700	331,700	305,641	(26,059)
Transient Room	25,000	25,000	22,865	(2,135)
Licenses and Permits	670,600	670,600	658,443	(12,157)
Intergovernmental:				
Federal Grant	20,000	28,369	32,435	4,066
State Grants		42,853	55,211	12,358
State Class C Roads	1,090,000	1,090,000	1,088,281	(1,719)
State Liquor Fund Allotment	45,000	45,000	42,986	(2,014)
Local Grants		27,954	27,954	
Charges for Services	65,500	65,500	76,400	10,900
Fines and Forfeitures	535,000	535,000	528,102	(6,899)
Investment Earnings	14,000	14,000	1,224	(12,776)
Miscellaneous	65,254	80,896	48,255	(32,641)
Total revenues	15,406,531	15,501,349	15,514,694	13,345
EXPENDITURES				
Current:				
General Government	3,041,629	3,184,464	3,025,254	(159,210)
Public Safety	8,869,433	8,940,393	8,861,020	(79,373)
Highways and Public Improvements	2,534,425	2,755,264	2,614,867	(140,396)
Community and Economic Development	1,075,632	1,090,699	990,682	(100,017)
Debt Service:				
Principal	347,213	347,213		(347,213)
Interest	9,263	9,263	13,966	4,703
Capital Outlay:				
Capital Lease - Public Safety		1,486,565	1,486,565	
Total expenditures	15,877,594	17,813,859	16,992,353	(821,506)
Excess (deficiency) of revenues over (under) expenditures	(471,063)	(2,312,511)	(1,477,659)	834,852
OTHER FINANCING SOURCES (USES)				
Sources:				
Proceeds from Capital Leases		1,486,565	1,168,247	(318,318)
Transfers from Other Fund		88,660		(88,660)
Sale of Capital Assets		19,838	18,824	(1,014)
(Uses):				
Transfers to CDRA Fund		(85,000)		85,000
Total other financing sources (uses)		1,510,063	1,187,071	(322,992)
Net change in fund balances	(471,063)	(802,448)	(290,588)	511,860
Fund balance - beginning of year			2,426,952	
Fund balance - end of year			2,136,364	

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

**COTTONWOOD HEIGHTS
FINANCIAL SECTION**

Cottonwood Heights, Utah
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Community Development Renewal Agency
For the Year Ended June 30, 2015

Description	Budgeted Adopted Budget	Amounts Final Budget	Fund Actuals (Budgetary Basis) (See Notes)	Variance with Final Budget
REVENUES				
Property Tax			2,731	2,731
Intergovernmental - Shared Revenues			1,925,698	1,925,698
Investment earnings			2,414	2,414
Total revenues			1,930,843	1,930,843
EXPENDITURES				
Current:				
Community and economic development		85,000	85,000	
Total expenditures		85,000	85,000	
Excess (deficiency) of revenues over (under) expenditures		(85,000)	1,845,843	1,930,843
OTHER FINANCING SOURCES (USES)				
Sources/(Uses):				
Transfers from General Fund		85,000		(85,000)
Total other financing sources (uses)		85,000		(85,000)
Net change in fund balances			1,845,843	
Fund balance - end of year			1,845,843	

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

COTTONWOOD HEIGHTS
FINANCIAL SECTION

Cottonwood Heights, Utah
Statement of Net Position
Proprietary Fund
For the Year Ended June 30, 2015

	Governmental Activities - Employee Benefit Fund
ASSETS	
Cash and cash equivalents	\$ 383,440
Total assets	<u>383,440</u>
LIABILITIES	
Non-current liabilities	
Accrued PTO benefits payable	383,440
Total liabilities	<u>383,440</u>
NET POSITION	
Unrestricted	-
Total net position	<u>\$ 0</u>

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

COTTONWOOD HEIGHTS
FINANCIAL SECTION

Cottonwood Heights, Utah
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2015

	<u>Governmental Activities - Employee Benefit Fund</u>
OPERATING REVENUES	
Charges for interfund services provided	\$ 64,202
Total operating revenues	<u>64,202</u>
OPERATING EXPENSES	
General Government - employee PTO benefits	<u>65,858</u>
Total operating expenses	<u>65,858</u>
Operating income	(1,656)
NON-OPERATING REVENUES	
Investment Earnings	<u>1,656</u>
Total non-operating revenues	<u>1,656</u>
Change in net position	<u>-</u>
Total net position - beginning	<u>-</u>
Total net position - ending	<u><u>\$ 0</u></u>

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

COTTONWOOD HEIGHTS
FINANCIAL SECTION

Cottonwood Heights, Utah
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2015

	<u>Governmental Activities - Employee Benefit Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund services provided	\$ 64,202
Net cash provided by operating activities	<u>64,202</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends received	1,656
Net cash provided by investing activities	<u>1,656</u>
Net increase in cash and cash equivalents	65,858
Cash and cash equivalents July 1, 2013	<u>317,582</u>
Cash and cash equivalents June 30, 2014	<u>\$ 383,439</u>
Reconciliation of operating income to net cash provided (used) by operating activities	
Operating Income	(1,656)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Increase in accrued PTO benefits payable	65,858
Net cash provided by operating activities	<u>\$ 64,202</u>

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

NOTES TO THE FINANCIAL STATEMENTS

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1A - FINANCIAL REPORTING ENTITY

Cottonwood Heights (the City), incorporated in 2005, is a political subdivision of the State of Utah. The City is governed by a City Council comprised of an elected mayor who serves as Chairman of the City Council and four elected City Council members. The City has determined that there are no separately administered organizations that are controlled by or are dependent upon the City. Control or dependence is determined on the basis of financial interdependence, selection of governing authority, designation of management ability to significantly influence operations and accountability for fiscal matters. Using these criteria no potential component units are included in the City's financial statements.

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.

The City's financial reporting entity comprises the following:

Primary Government:	Cottonwood Heights
Component Units:	None

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 expenditures of the function. Direct expenses are those that can clearly be associated with a particular activity or program. Program revenues include: (1) charges to

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

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 is 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.

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.

Proprietary Funds:

Employee Benefit Fund (an internal service fund)

This fund is used to account for liabilities created from accrued paid time off (PTO) of each city employee. Each year a calculation is made to determine the vested payouts that could occur in future years. This amount is charged to the current year in order to eliminate any large unforeseen payout that could disrupt the individual departmental budgets in subsequent years when a payout occurs.

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.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

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 employee benefit fund (an internal service fund) is reported on this basis.
- c. Fiduciary funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them. The City has no Fiduciary funds at this time.

Basis of Accounting

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

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

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

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

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

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.

Investments are carried at fair value. Fair value is based on quoted market price. 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 Statements

In the government-wide financial statements assets are accounted for as capital assets. All assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated assets which are recorded at their estimated fair value at the date of donation. 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 has chosen to capitalize assets costing \$10,000 or more.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

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 Statements

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

Restricted assets consist of various cash balances that are restricted as to their use. Certain cash balances are restricted by provisions of State or Federal law. Class C Road revenue not spent is restricted in the general fund to be used for future roadwork. Certain grants must be spent for the intended purpose. The City may also have certain impact fees that are restricted from time to time.

Deferred Inflows and Outflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period, and is therefore deferred until that time.

Governmental funds report revenue that is unavailable as deferred inflows of resources. Governmental funds report unavailable revenue from property taxes and from special assessments. These amounts are deferred and recognized as revenue in the period that they become available.

Deferred outflows of resources represent a consumption of net position that applies to a future period, and is therefore deferred until that time.

Long-term Debt

The accounting treatment of long-term debt 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.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

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.

Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused PTO benefits. The liability for earned compensated absences is recorded as long-term debt in the government-wide statements. There is no recorded liability for compensated absences in the governmental funds because the Employee Benefit Fund (an internal service fund) has been paid for the incurred compensated absence expenditures on an annual basis.

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). See Note 3H for additional disclosure on the City's fund balances. 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.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

- 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 – All other general funds not classified in any other classification that 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 is committed by the City Council passage of budget resolutions. Assigned balances are determined by management authorized to manage the funds of the City by the City Council.

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, expenditures are classified by function for governmental activities.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

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
- Intergovernmental

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:

<u>Fund</u>	<u>Required By</u>
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.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

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>.

Twice a year, at June 30 and December 31, the investments in the PTIF are valued at fair value. As of June 30, 2014, the City had \$7,546,604 invested in the PTIF which had a fair value factor of 1.00496043, making the City investment equal to \$7,602,128 for an unrealized gain of \$37,524. Due to the insignificance of this amount in relation to the funds affected by the unrealized gain, the fair value of investments in this external investment pool is deemed to be the amortized cost of the investment.

As of June 30, 2015, the City had the following investments and maturities:

Investment Type	Total Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
State of Utah PTIF	\$ 7,564,604	\$ 7,564,604	\$ -	\$ -	\$ -
Total	\$ 7,564,604	\$ 7,564,604	\$ -	\$ -	\$ -

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.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

2C - REVENUE RESTRICTIONS

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

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

For the period ended June 30, 2015, 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, 2015, 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

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

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, 2015 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. State law also requires a budget comparison for all funds for which an annual budget is adopted.

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

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	\$ 7,564,604
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Reconciliation to Government-wide Statement of Net Position:

Investments	\$ 7,564,604
Cash on Hand	15,033
Deposits	65,306
Total	\$ 7,644,942

Per Statement of Net Position:

Unrestricted Cash	\$ 7,586,992
Restricted Cash	10,735,438
Total	\$ 18,322,429

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

3B - RESTRICTED ASSETS

The restricted assets as of June 30, 2015, are as follows:

<u>Type of Restricted Asset</u>	<u>Cash/Time Deposits</u>
<u>Governmental Activities:</u>	
Bond Funds held in trust	10,677,487
Impact Fees	57,951
Total	<u>\$ 10,735,438</u>

3C - ACCOUNTS RECEIVABLE

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

Receivables details at June 30, 2015, are as follows:

Uninvoiced Receivables Intergovernmental	37,155
Invoiced Receivables / Miscellaneous	107,879
Invoiced Business Licensing	(6,709)
Prior Fiscal Revenues - Sales & Transient Room / 911 Fees	1,092,876
Deposits Receivable	5,550
Net Accounts Receivable	<u>\$ 1,378,869</u>

3D - CAPITAL ASSETS

Capital asset activity for the period ended June 30, 2015, was as follows:

	<u>Balance at June 30, 2014</u>	<u>Additions</u>	<u>Disposals / Misc Adj</u>	<u>Balance at June 30, 2015</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land (non-infrastructure)	\$ 8,065,509	\$ 114,995	\$ -	\$ 8,180,505
Land related Infrastructure	22,717,047	-	-	22,717,047
Total assets, not being depreciated	<u>30,782,556</u>	<u>114,995</u>	<u>-</u>	<u>30,897,551</u>
Capital assets, being depreciated:				
Buildings	-	526,890	-	526,890
Equipment	2,096,371	-	-	2,096,371
Vehicles	2,252,466	1,555,568	(1,516,817)	2,291,217
Infrastructure - Roads	31,109,861	22,066	-	31,131,927
Infrastructure - Bridges	905,375	-	-	905,375
Infrastructure - Parkways	8,541,104	2,093,522	(127,351)	10,507,275
Infrastructure - Storm Drains	1,213,493	437,854	-	1,651,347
Total capital assets, being depreciated	<u>46,118,670</u>	<u>4,635,900</u>	<u>(1,644,168)</u>	<u>49,110,403</u>
Accumulated Depreciation				
Buildings	-	-	-	-
Equipment	(1,719,480)	(90,221)	-	(1,809,701)
Vehicles	(1,008,958)	(365,614)	509,735	(864,837)
Infrastructure - Roads	(21,397,609)	(2,152,026)	-	(23,549,635)
Infrastructure - Bridges	(311,184)	(33,398)	-	(344,581)
Infrastructure - Parkways	(1,738,272)	(449,106.66)	-	(2,187,378)
Infrastructure - Storm Drains	(152,209)	(31,830.04)	-	(184,039)
Total accumulated depreciation	<u>(26,327,711)</u>	<u>(3,122,196)</u>	<u>509,735</u>	<u>(28,940,171)</u>
Governmental activities, capital assets, net	<u>\$ 50,573,515</u>	<u>\$ 1,628,700</u>	<u>\$ (1,134,433)</u>	<u>\$ 51,067,783</u>

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

Depreciation, including Disposals/Miscellaneous Adjustment of accumulated depreciation, was charged to governmental activities as follows:

Governmental Activities:

General Government	\$ 80,239
Public Safety (<i>net of surplused vehicles</i>)	(164,697)
Highways & Public Improvements	2,696,105
Community Planning	814
Total depreciation expense and adjustment	\$ 2,612,460

Capital Assets under Capital Lease

The City has acquired public safety vehicles through capital lease. The amortization of these assets is included in depreciation expense. As of June 30, 2015 the net book values are as follows:

	<u>Governmental Activities</u>
Vehicles	\$ 1,447,433
Less Accumulated Depreciation	(259,358)
Net Book Value	\$ 1,188,075

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 a sales tax revenue bond, capital lease and accrued employee benefits to be repaid from governmental activities.

As of June 30, 2015, the City had long-term debt payable from general fund resources consisting of the following:

Sales Tax Revenue Bonds Payable:

Series 2014 - City Municipal Center	
3.695%, (07/2/14 original amount \$13,770,000)	\$ 13,770,000
Remaining Bond Premium unamortized	\$ 858,863
	\$ 14,628,863

The City has entered into a Sales Tax Revenue Bond to finance the construction of the City Municipal Center. This bond has been recorded at the present value of all future bond payments as of the inception date.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

Capital Leases Payable:

Zions Bank - Police Vehicles	
1.64%, (07/15/14 original amount \$1,168,247)	\$ 1,134,065
	<u>\$ 1,134,065</u>

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

As of June 30, 2015 the City had proprietary fund long-term debt payable as follows:

Employee Benefit Fund (an Internal Service Fund):

Paid Time Off - Future PTO Liability	\$ 383,440
Total proprietary fund debt	<u>383,440</u>
Total governmental activity debt	<u>\$ 16,146,072</u>

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the period ended June 30, 2015:

Type of Debt	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Capital leases	\$ 834,317	\$ 1,168,247	\$ (868,499)	\$ 1,134,065	\$ 315,514
Sales Tax Revenue Bond	-	13,770,000		13,770,000	65,000
Bond Premium	-	894,340	(35,774)	858,566	
Emp Benefit Fund-PTO *	317,582	65,858	-	383,440	-
Total Long Term Debt	<u>\$ 1,151,899</u>	<u>\$ 15,898,445</u>	<u>\$ (904,273)</u>	<u>\$ 16,146,072</u>	<u>\$ 380,514</u>

* Annual calculation of vested paid time off available, net total by department.

Annual Debt Service Requirements

The annual debt service requirements to maturity for governmental long-term debt principal and interest as of June 30, 2015, are as follows:

Year Ended June 30	Governmental Activities		
	Principle	Interest	Total
2016	380,514	831,875	1,212,389
Thereafter	14,487,481	8,307,800	22,795,281
Total	<u>\$ 14,867,995</u>	<u>\$ 9,139,675</u>	<u>\$ 24,007,670</u>

* Bi-annually, the Public Safety vehicle lease is paid by a dealer buy back, 2017 is such a year.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

3G - INTERFUND TRANSACTIONS AND BALANCES

Transfers

Although budgeted, no interfund transfers were made at fiscal year-end.

NOTE 4 - OTHER INFORMATION

4A - EMPLOYEE PENSION AND OTHER BENEFIT PLANS

General Information about the Pension Plans

Plan 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:

- 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); and the 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.

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

**COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS**

Summary of Benefits by System

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%
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 not me may be carried forward to subsequent years.

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

<u>Utah Retirement Systems</u>	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates
Contributory System:			
111 – Local Governmental Division Tier 2	N/A	N/A	14.94%
Noncontributory System:			
15 – Local Governmental Division Tier 1	N/A	N/A	18.47%
Public Safety Retirement System:			
49 – Other Division B Noncontributory Tier 1	N/A	N/A	32.20%
122 – Other Division A Contributory Tier 2	N/A	N/A	20.44%

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

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

At December 31, 2014, we reported a net pension asset of \$7,808 and a net pension liability of \$1,478,561.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.1425472%	\$0	\$618,973
Public Safety System	2.1737913%	\$0	\$859,588
Tier 2 Public Employees System	0.0340178%	\$1,031	\$0
Tier 2 Public Safety and Firefighter System	0.4581429%	\$6,777	\$0
Total Net Pension Asset/Liability		<u>\$7,808</u>	<u>\$1,478,561</u>

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

For the year ended December 31, 2014, we recognized pension expense of \$371,393. At December 31, 2014, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience:	\$72,516	\$19,751
Changes in assumptions:	\$0	\$172,871
Net difference between projected and actual earnings on pension plan investments:	\$30,972	\$0
Changes in proportion and differences between contributions and proportionate share of contributions:	\$0	\$0
Contributions subsequent to the measurement date:	\$383,371	\$0
Total	<u>\$486,859</u>	<u>\$192,622</u>

\$383,371 was 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, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows of Resources)
2015	(\$19,820)
2016	(\$19,820)
2017	(\$19,820)
2018	(\$19,027)
2019	(\$7,733)
Thereafter	(\$2,912)

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

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

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

Retired Member Mortality
Class of Member
Educators
Men EDUM (90%)
Women EDUF (100%)
Public Safety and Firefighters
Men RP 2000mWC (100%)
Women EDUF (120%)
Local Government, Public Employees
Men RP 2000mWC (100%)
Women EDUF (120%)
<i>EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage</i>
<i>EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage</i>
<i>RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage</i>

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

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

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

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of Net pension (asset) / liability	\$3,513,225	\$1,470,753	(\$213,175)

The City is required to contribute to the Local Government Noncontributory System 18.47 percent of the annual salaries of eligible employees. The City is also required to contribute to the Public Safety Noncontributory System 32.2 percent of the annual salaries of eligible employees. The contribution rates are the actuarially determined rates and are approved by the Board as authorized by Chapter 49. For Tier II employees the rates are 16.69 percent and 21.72 percent respectively.

The City contributions to the Local Government Noncontributory System, as confirmed by Utah Retirement Systems, for the periods ending June 30, 2015, 2014 and 2013 were respectively \$221,072, \$197,533 and \$178,396. The City contributions to the Public Safety Noncontributory System for the period end June 30, 2015, 2014 and 2013 were respectively \$442,527, \$428,802 and, 435,258. The contributions were equal to the required contributions for this period. The City has recorded contributions to the Contributory Tier II System for 2015, 2014 and 2013 were respectively \$37,992, \$22,726 and \$6,388 for regular employees and \$43,078, \$21,526 and \$4,505 for Public Safety employees. Additionally, the City is required to contribute for Post Retired Ineligible employees an amount equal to the current amortization rate. The amount contributed for the period ending June 30, 2015 and 2014, were \$2,053 and \$8,921.

The City has also elected to be exempt from the Federal Social Security System for all employees and assures that they participate in a qualifying retirement plan. In lieu of contributions to the Social Security System the City contributes to various deferred compensation plans explained below.

Deferred Compensation Plans

The assets held by these deferred plans are not available to the City or its general creditors.

401(k) Plan

The City sponsors a deferred compensation plan under Internal Revenue Code Section 401(k) for City employees. The Utah State Retirement Board administers this Plan. Employees who have elected to be exempt from either the regular Noncontributory System or Public Safety System may elect to have their equivalent City contribution contributed into this plan.

Employer contributions that substitute for contributions to the Non-contributory pension for the periods ended June 30, 2015, 2014 and 2013 were \$35,918, \$40,004 and \$58,802 respectively.

Employer contributions that substitute for contributions to the Public Safety Non-Contributory pension for the periods ended June 30, 2015, 2014 and 2013 were \$183,266, \$196,782 and \$210,714 respectively.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

Employer contributions for Tier 2 employees, where the required contributions by the employer result in 401k contributions for these employees for the periods ended June 30, 2015 and 2014 is \$13,385 and \$7,438 for regular employees and \$2,698 and \$1,145 for public safety employees.

Employer contributions that substitute for medical coverage for the periods ended June 30, 2014 and 2013 were \$0, \$36,054 and \$42,882. These employer 401k contributions are no longer made in lieu of the City paying medical premium costs for employees that elect to forgo medical coverage through the City's group policy. Cash compensation is made directly to the employee, who then may elect employee contributions if they so choose. These employees are required to provide proof of alternative insurance coverage.

Employer contributions that substitute for social security contributions for the periods ended June 30, 2015, 2014 and 2013 were \$154,217, \$170,015 and \$156,737 respectively.

457 Plans

The City sponsors 457 Deferred Compensation Plans in accordance with Internal Revenue Code Section 457 for all city employees. These plans are administered both by the Utah State Retirement Board and the International City/County Management Association Retirement Corporation (ICMA-RC). The employees of the City participate in the 457 deferred compensation plan through payroll deduction.

GASB No. 32 considers 457 plans as Trust Funds for individuals. Therefore no contribution information is provided here. Actual contributions are provided as a note to RSI.

4B - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has purchased comprehensive general liability insurance through the Utah Local Governments Trust. The City pays premiums to the Trust for its general insurance coverage, automobile liability, and personal injury protection. The Trust is self-sustaining through member premiums. The City is subject to a minimal deductible for claims.

4C – SUBSEQUENT EVENTS

Subsequent events were evaluated through December 15, 2015, which is the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

(UNAUDITED)

**COTTONWOOD HEIGHTS
REQUIRED SUPPLEMENTARY INFORMATION**

Cottonwood Heights, Utah

**Schedule of the Proportionate Share of the Net Pension Liability - Utah Retirement Systems
As Reported December 31, 2014
Last 10 Fiscal Years ***

	Noncontributory Retirement System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety & Firefighter System
Proportion of the net pension liability (asset)	0.142547%	2.173791%	0.340178%	0.458143%
Proportionate share of the net pension liability (asset)	\$ 618,973	\$ 859,588	\$ (1,031)	\$ (6,777)
Covered employee payroll	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	42.9%	41.7%	-0.6%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	89.0%	103.5%	120.5%

* Amounts presented were determined as of calendar year ended December 31, 2014. In accordance with GASB 68, until a full 10-year trend is compiled, information is presented for those years which information is available. This schedule is only for the current year 2014.

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

COTTONWOOD HEIGHTS
REQUIRED SUPPLEMENTARY INFORMATION

Cottonwood Heights, Utah
Schedule of Contributions - Utah Retirement Systems
As Reported December 31, 2014
Last 10 Fiscal Years *

	Noncontributory Retirement System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety & Firefighter System
Contractually Required Contributions	\$ 224,044	\$ 439,923	\$ 14,035	\$ 20,644
Contributions in relation to the contractually required contributions	<u>(224,044)</u>	<u>(439,923)</u>	<u>(14,035)</u>	<u>(20,644)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered employee payroll	1,441,633	2,061,024	167,094	189,494
Contributions as a percentage of covered- employee payroll**	15.54%	21.34%	8.40%	10.89%

* Amounts presented were determined as of calendar year ended December 31, 2014. In accordance with GASB 68, until a full 10-year trend is compiled, information is presented for those years which information is available. This schedule is only for the current year 2014.

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

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

COTTONWOOD HEIGHTS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 - 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 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. The City Council can increase appropriations after having a public hearing. During the year ended June 30, 2015 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. State law also requires a budget comparison for all funds for which an annual budget is adopted.

Other Information Not Required as Part of RSI:

The information below is not required as part of GASB 38 but is provided for informational purposes. The schedule below is a summary of the Defined Contribution Savings Plans for pay periods January 1 – December 31, 2014.

DEFINED CONTRIBUTION SYSTEM

Defined Contribution System

	Employee Paid Contributions	Employer Paid Contributions
401(k) Plan *	217,989	404,168
457 Plan	223,190	102,332
Roth 457 Plan	25,160	
Roth IRA	9,899	
Traditional IRA		

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

SUPPLEMENTARY INFORMATION

COTTONWOOD HEIGHTS
SUPPLEMENTARY INFORMATION

Cottonwood Heights, Utah
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2015

Description	Budgeted Adopted Budget	Amounts Final Budget	Fund Actuals (Budgetary Basis) (See Notes)	Variance with Final Budget
REVENUES				
Federal Grant	121,051	121,051		(121,051)
Impact Fees - Current Collections	50,000	50,000	42,369	(7,631)
Investment earnings	30,000	30,000	88,317	58,317
Miscellaneous			9,167	9,167
Total revenues	201,051	201,051	139,853	(61,198)
EXPENDITURES				
Current:				
Highways and Public Improvements	15,836,906	17,127,581	3,593,233	(13,534,348)
Total expenditures	15,836,906	17,127,581	3,593,233	(13,534,348)
Excess (deficiency) of revenues over (under) expenditures	(15,635,855)	(16,926,530)	(3,453,380)	13,473,149
OTHER FINANCING SOURCES (USES)				
Sources/(Uses):				
Beginning Fund Bal Appropriated	15,635,855	2,212,057		(2,212,057)
Proceeds from Bonds		14,496,000	14,664,340	168,340
Total other financing sources (uses)	15,635,855	16,836,530	14,664,340	(2,172,190)
Net change in fund balances			11,210,959	
Fund balance - beginning of year			2,546,784	
Fund balance - end of year			13,757,744	

COTTONWOOD HEIGHTS
STATISTICAL SECTION

STATISTICAL SECTION
(Unaudited)

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

The five divisions of the Statistical Section are as follows:

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

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

**COTTONWOOD HEIGHTS
STATISTICAL SECTION**

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities										
Investment in capital assets	\$ 45,924,687	\$ 49,739,199	\$ 47,215,683	\$ 49,934,834	\$ 49,425,939	\$ 44,831,195	\$ 45,831,420	\$ 45,776,089	\$ 41,891,706	\$ 42,360,450
Restricted	57,951	148,081	100,102	165,949	221,078	203,271	222,737	223,950	253,555	183,225
Unrestricted	5,302,458	4,825,654	7,047,623	6,492,449	8,603,921	9,017,951	9,668,305	10,068,724	7,014,875	4,643,809
Total governmental activities net position	\$ 51,285,096	\$ 54,712,934	\$ 54,363,409	\$ 56,593,232	\$ 58,250,938	\$ 54,052,417	\$ 55,722,462	\$ 56,088,763	\$ 49,160,136	\$ 47,187,484
Business-type activities										
Investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total business-type activities net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary government										
Investment in capital assets	\$ 45,924,687	\$ 49,739,199	\$ 47,215,683	\$ 49,934,834	\$ 49,425,939	\$ 44,831,195	\$ 45,831,420	\$ 45,776,089	\$ 41,891,706	\$ 42,360,450
Restricted	57,951	148,081	100,102	165,949	221,078	203,271	222,737	223,950	253,555	183,225
Unrestricted	5,302,458	4,825,654	7,047,623	6,492,449	8,603,921	9,017,951	9,668,305	10,068,724	7,014,875	4,643,809
Total primary government net position	\$ 51,285,096	\$ 54,712,934	\$ 54,363,409	\$ 56,593,232	\$ 58,250,938	\$ 54,052,417	\$ 55,722,462	\$ 56,088,763	\$ 49,160,136	\$ 47,187,484

Note: Cottonwood Heights city incorporated in January 2005
The City has no Business-type activities

**COTTONWOOD HEIGHTS
STATISTICAL SECTION**

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental Activities										
General Government	\$ 2,420,806	\$ 2,902,400	\$ 2,863,918	\$ 2,699,564	\$ 2,094,427	\$ 2,331,589	\$ 2,140,589	\$ 1,972,270	\$ 3,421,036	\$ 1,328,701
Public Safety	9,025,584	8,932,299	8,760,565	8,360,970	7,665,600	8,073,608	8,015,001	6,780,298	6,339,016	5,730,383
Highways and Streets	6,428,742	5,957,314	5,773,855	4,728,329	4,485,274	5,707,937	5,309,932	3,469,794	3,197,851	3,309,743
Community and Economic Development	1,058,098	970,886	695,759	626,956	602,502	524,665	566,802	620,300	616,335	821,760
Interest on long term debt	547,992	13,788	19,324	18,197	22,003	26,840	26,761	254	498	47,805
Intergovernmental	-	-	-	-	-	35,000	-	-	-	-
Total Governmental Activities	<u>\$ 19,481,022</u>	<u>\$ 18,776,687</u>	<u>\$ 18,113,421</u>	<u>\$ 16,434,016</u>	<u>\$ 14,889,806</u>	<u>\$ 16,699,639</u>	<u>\$ 16,059,086</u>	<u>\$ 12,842,917</u>	<u>\$ 13,574,736</u>	<u>\$ 11,238,392</u>
Business-type activities										
n/a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Business-type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenses	<u>\$ 19,481,022</u>	<u>\$ 18,776,687</u>	<u>\$ 18,113,421</u>	<u>\$ 16,434,016</u>	<u>\$ 14,889,806</u>	<u>\$ 16,699,639</u>	<u>\$ 16,059,086</u>	<u>\$ 12,842,917</u>	<u>\$ 13,574,736</u>	<u>\$ 11,238,392</u>
Program Revenues										
Governmental Activities										
Charges for Services	\$ 517,531	\$ 601,337	\$ 502,581	\$ 445,692	\$ 555,469	\$ 449,598	\$ 469,151	\$ 568,751	\$ 553,676	\$ 553,207
General Government	528,102	536,531	528,676	552,220	546,834	538,124	273,251	235,611	158,498	206,721
Highways and Streets	-	-	-	-	-	-	-	-	-	-
Community and Economic Development	217,312	232,585	245,326	180,299	203,093	151,433	164,376	213,924	221,802	202,569
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	1,543,851	1,563,158	1,611,019	1,504,103	1,638,949	1,502,366	1,465,430	1,475,184	1,362,266	1,289,841
Capital Grants and Contributions	1,968,067	3,484,303	231,783	25,185	312,815	564,390	1,025,779	941,105	33,579	2,532,080
Total Governmental Activities	<u>\$ 4,774,863</u>	<u>\$ 6,417,914</u>	<u>\$ 3,119,387</u>	<u>\$ 2,707,500</u>	<u>\$ 3,257,160</u>	<u>\$ 3,205,911</u>	<u>\$ 3,397,987</u>	<u>\$ 3,424,575</u>	<u>\$ 2,329,822</u>	<u>\$ 4,784,419</u>
Business-type Activity										
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
n/a	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Program Revenues	<u>\$ 4,774,863</u>	<u>\$ 6,417,914</u>	<u>\$ 3,119,387</u>	<u>\$ 2,707,500</u>	<u>\$ 3,257,160</u>	<u>\$ 3,205,911</u>	<u>\$ 3,397,987</u>	<u>\$ 3,424,575</u>	<u>\$ 2,329,822</u>	<u>\$ 4,784,419</u>

**COTTONWOOD HEIGHTS
STATISTICAL SECTION**

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
(schedule continued)										
Net (Expense)/Revenue	\$ (14,706,159)	\$ (12,358,773)	\$ (14,994,034)	\$ (13,726,516)	\$ (11,632,646)	\$ (13,493,728)	\$ (12,661,099)	\$ (9,418,342)	\$ (11,244,914)	\$ (6,453,973)
Governmental Activities										
Business-type Activity										
Total Net Expense	\$ (14,706,159)	\$ (12,358,773)	\$ (14,994,034)	\$ (13,726,516)	\$ (11,632,646)	\$ (13,493,728)	\$ (12,661,099)	\$ (9,418,342)	\$ (11,244,914)	\$ (6,453,973)
General Revenues										
Governmental Activities:										
Property Taxes	\$ 6,646,536	\$ 6,684,948	\$ 6,954,277	\$ 6,594,176	\$ 6,499,957	\$ 6,344,286	\$ 6,408,994	\$ 6,475,442	\$ 6,389,642	\$ 2,858,039
Sales Taxes	5,342,297	5,231,303	5,030,007	4,749,551	4,558,144	4,634,998	4,847,677	5,414,341	5,567,486	4,748,086
Motor Vehicle Fee-In-Lieu	366,675	390,535	390,882	400,016	426,149	468,657	505,711	505,430	535,812	-
Franchise Taxes	305,641	303,918	296,450	278,444	267,999	256,667	250,660	235,671	214,766	187,077
State Liquor Fund Allotment	**	**	**	43,515	46,230	35,236	33,563	39,738	29,926	23,601
Unrestricted investment earnings	91,956	37,394	36,859	53,935	46,773	59,298	187,488	515,432	6,248	500,000
Gain (Loss) on sale of Capital Assets	18,824	12,000	-	(91,970)	(43,546)	-	-	(736)	-	233,638
Miscellaneous	57,422	48,200	55,735	41,145	55,709	29,816	53,944	4,589	7,503	405
Transfers in/out	-	-	-	-	-	-	-	-	-	-
Special Item	-	-	-	-	3,985,238	-	-	-	-	-
Total general revenues, transfers, and special item	\$ 12,829,351	\$ 12,708,298	\$ 12,764,210	\$ 12,068,812	\$ 15,842,653	\$ 11,828,958	\$ 12,288,037	\$ 13,191,407	\$ 13,217,517	\$ 8,550,846
Business-type Activity:										
n/a	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Business-type activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total primary government	\$ 12,829,351	\$ 12,708,298	\$ 12,764,210	\$ 12,068,812	\$ 15,842,653	\$ 11,828,958	\$ 12,288,037	\$ 13,191,407	\$ 13,217,517	\$ 8,550,846
Change in Net Position										
Governmental Activities	\$ (1,876,808)	\$ 349,525	\$ (2,229,824)	\$ (1,657,704)	\$ 4,210,007	\$ (1,664,770)	\$ (373,062)	\$ 3,773,065	\$ 1,972,603	\$ 2,096,873
Business-type Activity										
Total Change in Net Position	\$ (1,876,808)	\$ 349,525	\$ (2,229,824)	\$ (1,657,704)	\$ 4,210,007	\$ (1,664,770)	\$ (373,062)	\$ 3,773,065	\$ 1,972,603	\$ 2,096,873

Note: Cottonwood Heights city incorporated in January 2005
 The City has no Business-type activities
 ** State Liquor Fund Allotment - moved to Operating Grants and Contributions in FY 2013 financials under Public Safety

**COTTONWOOD HEIGHTS
STATISTICAL SECTION**

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Nonspendable	\$ 21,694	\$ 19,609	\$ 22,134	\$ 53,596	\$ 81,132	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	68,799	112,353	138,355	-	-	-	-	-
Unrestricted	-	924,392	899,412	871,757	857,894	-	-	-	-	-
Assigned *	-	-	-	-	-	-	-	-	-	-
Unassigned	2,114,670	1,482,950	1,685,932	1,708,720	1,970,113	-	-	-	-	-
Reserved	-	-	-	-	-	203,271	222,737	223,950	253,555	183,225
Unreserved	-	-	-	-	-	1,779,169	1,407,461	1,211,759	1,235,852	588,746
Total General Fund	\$ 2,136,364	\$ 2,426,952	\$ 2,676,277	\$ 2,746,426	\$ 3,047,494	\$ 1,982,440	\$ 1,630,198	\$ 1,435,709	\$ 1,489,407	\$ 771,971
All other governmental funds										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Grant	-	-	-	-	23,594	-	-	-	-	-
Bond Funds in Trust	10,619,536	-	-	-	-	-	-	-	-	-
Impact Fees	57,951	128,472	9,169	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
Capital Projects	3,080,257	2,418,312	4,462,279	3,911,972	5,775,914	-	-	-	-	-
Comm/Dev Renewal Agency	1,845,843	-	-	-	-	-	-	-	-	-
Unreserved - Capital Projects	-	-	-	-	-	7,238,782	8,260,844	8,856,965	5,779,023	4,055,063
Total all other governmental funds	\$ 15,603,587	\$ 2,546,784	\$ 4,471,448	\$ 3,911,972	\$ 5,799,508	\$ 7,238,782	\$ 8,260,844	\$ 8,856,965	\$ 5,779,023	\$ 4,055,063

Note: Cottonwood Heights city incorporated in January 2005
The city implemented the requirements of GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions for fiscal year 2011

COTTONWOOD HEIGHTS STATISTICAL SECTION

FINANCIAL TRENDS: CHART-4
Cottonwood Heights
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
REVENUES										
Property Taxes	\$ 6,646,536	\$ 6,684,948	\$ 6,954,277	\$ 6,594,176	\$ 6,499,957	\$ 6,344,286	\$ 6,408,994	\$ 6,475,442	\$ 6,399,642	\$ -
Sales Taxes	5,319,432	5,203,814	5,011,132	4,725,926	4,531,512	4,607,702	4,819,775	5,378,470	5,528,612	4,726,645
E-911 Emergency Fees	296,984	276,640	321,566	294,517	299,774	299,774	232,723	200,696	110,926	-
Motor Vehicle Fee-in-lieu	366,675	390,535	390,882	400,016	426,149	468,667	505,711	505,430	535,812	-
Franchise Taxes	305,641	303,918	296,450	278,444	267,989	256,667	250,660	235,671	214,766	187,077
Transient Room	22,865	27,489	18,875	23,625	26,632	27,297	27,902	35,871	38,874	21,441
Licenses and Permits	517,531	601,337	502,581	445,692	555,469	449,598	469,151	558,751	553,676	553,207
Intergovernmental	3,172,565	4,651,518	1,489,464	1,253,101	1,536,378	1,650,962	2,266,270	2,225,477	1,287,514	7,171,481
Charges for Services	217,312	232,585	245,326	180,299	203,093	151,433	164,376	213,924	221,802	202,569
Fines and Forfeitures	528,102	536,531	528,676	532,220	546,834	538,124	273,251	235,611	188,498	206,721
Investment Earnings	91,956	37,394	36,859	53,935	46,773	59,298	187,468	515,432	456,134	233,638
Miscellaneous	57,422	48,200	55,683	41,145	55,709	29,816	53,944	4,589	7,503	405
Total Revenues	\$17,543,021	\$18,994,909	\$15,851,761	\$14,843,096	\$14,991,106	\$14,883,612	\$15,660,244	\$16,585,364	\$15,513,760	\$13,303,184
EXPENDITURES										
Current										
General Government	\$ 3,025,254	\$ 2,778,517	\$ 2,749,024	\$ 2,566,624	\$ 1,976,164	\$ 2,252,343	\$ 2,073,098	\$ 1,932,412	\$ 956,090	\$ 1,315,301
Public Safety	8,826,324	8,463,443	8,290,154	7,961,262	7,651,305	7,630,159	7,758,559	6,778,220	6,329,819	5,726,563
Highways and Public Improvements	2,978,465	3,150,768	2,400,004	2,009,533	1,792,562	3,179,469	2,881,406	892,995	3,530,251	1,215,242
Community and Economic Development	1,075,682	970,072	690,193	612,898	586,287	509,082	552,668	577,107	612,425	816,963
Debt Service	-	308,185	729,090	226,586	250,000	162,087	-	10,048	10,571	10,881
Principal	-	13,788	19,324	18,197	22,003	32,113	-	254	498	47,805
Interest and fiscal charges	-	-	-	-	-	35,000	-	20,200	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Capital Outlays (net of disposals)	4,750,896	5,615,428	2,411,983	3,676,584	3,254,021	1,904,433	3,648,909	3,407,241	1,666,338	151,073
Total Expenditures	\$20,670,587	\$21,300,201	\$17,289,772	\$17,071,684	\$15,532,342	\$15,704,688	\$16,914,640	\$13,618,476	\$13,105,992	\$ 9,283,828
Excess(Deficiency) of Revenues over Expendi-	(3,127,566)	(2,305,292)	(1,438,011)	(2,228,588)	(541,236)	(821,075)	(1,254,397)	2,966,888	2,407,768	4,019,356
OTHER FINANCING SOURCES (USES)										
Transfers in	\$ -	\$ 875,615	\$ 1,485,423	\$ 1,730,747	\$ 669,459	\$ 1,907,959	\$ 1,499,074	\$ 4,107,170	\$ 4,689,357	\$ 3,690,682
Transfers out	-	(875,615)	(1,485,423)	(1,730,747)	(669,459)	(1,907,959)	(1,499,074)	(4,107,170)	(4,689,357)	(3,690,682)
In-Kind Capital Contribution	1,168,247	-	1,142,555	-	-	-	826,985	-	-	-
Proceeds from Capital Leases	14,664,340	12,000	753,000	14,800	-	-	-	26,001	33,579	32,080
Proceeds from Revenue Bond	18,824	119,303	31,783	25,185	167,015	50,966	25,779	31,354	-	-
Impact Fees - Current Year Collection	42,369	\$ 131,303	\$ 1,927,338	\$ 39,985	\$ 167,015	\$ 151,296	\$ 852,764	\$ 57,355	\$ 33,579	\$ 32,080
Total Other Financing Sources (Uses)	\$15,893,780	\$ (2,173,989)	\$ 489,327	\$ (2,188,603)	\$ (374,221)	\$ (669,819)	\$ (401,633)	\$ 3,024,243	\$ 2,441,347	\$ 4,051,436
Net change in fund balances before special	\$12,766,215	\$ (2,173,989)	\$ 489,327	\$ (2,188,603)	\$ (374,221)	\$ (669,819)	\$ (401,633)	\$ 3,024,243	\$ 2,441,347	\$ 4,051,436
Special Item	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$12,766,215	\$ (2,173,989)	\$ 489,327	\$ (2,188,603)	\$ (374,221)	\$ (669,819)	\$ (401,633)	\$ 3,024,243	\$ 2,441,347	\$ 4,051,436
Debt service as a percentage of	0.09%	2.05%	5.03%	1.83%	2.22%	1.41%	0.00%	0.10%	0.10%	0.64%
Noncapital expenditures										
Beginning Fund Balance	4,973,736	7,147,725	6,658,398	8,847,002	9,221,222	9,891,042	10,292,674	7,288,431	4,827,084	775,648
Ending Fund Balance	17,739,951	4,973,736	7,147,725	6,658,398	8,847,002	9,221,222	9,891,042	10,292,674	7,288,431	4,827,084

Note: Cottonwood Heights city incorporated in January 2005

**COTTONWOOD HEIGHTS
STATISTICAL SECTION**

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

Fiscal Year Ended June 30	Tax Assessment Year	ASSESSED "MARKET VALUE" OF PROPERTY						Less Residential Exemption	Total Assessed Taxable Value	Assessed Taxable Value as % Fully Assessed	Taxable Total Direct Rate
		Residential	Commercial (2)	Total	100% Tax-Exempt Property (2)	Less Residential Exemption	Total Assessed Taxable Value				
2015	2014	\$ 3,635,268,731	\$ 778,549,073	\$ 4,413,817,804	\$ 126,548,093	\$ 1,635,870,929	\$ 2,651,398,782	60.1%	0.2386%		
2014	2013	3,393,947,127	932,440,256	4,326,387,383	125,231,015	1,527,276,207	2,673,880,161	61.8%	0.2522%		
2013	2012	3,277,704,426	879,727,447	4,157,431,873	123,927,645	1,474,966,992	2,558,537,236	61.5%	0.2654%		
2012	2011	3,366,962,604	864,180,096	4,231,142,700	130,000,000	1,515,133,172	2,586,009,528	61.1%	0.2586%		
2011	2010	3,462,644,784	868,364,470	4,331,009,254	135,000,000	1,558,190,153	2,637,819,101	60.9%	0.2517%		
2010	2009	3,545,513,133	923,042,188	4,468,555,321	140,000,000	1,595,480,910	2,733,074,411	61.2%	0.2399%		
2009	2008	4,091,052,684	1,036,929,851	5,127,982,535	160,000,000	1,840,973,708	3,127,008,827	61.0%	0.2098%		
2008	2007	3,889,799,206	941,043,105	4,830,842,311	150,000,000	1,750,409,643	2,930,432,668	60.7%	0.2220%		
2007	2006	3,159,022,555	822,051,567	3,981,074,122	125,000,000	1,421,560,150	2,434,513,972	61.2%	0.2624%		
2006 (1)	2005	n/a	n/a	3,427,236,954	125,000,000	1,204,767,938	2,097,469,016	61.2%	0.2624%		
2005 (1)	2004	n/a	n/a	3,342,866,461	125,000,000	1,172,032,187	2,045,834,274	61.2%	0.2740%		

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) Cottonwood Heights city incorporated in January 2005, prior municipal services provided by Salt Lake County Municipal

(2) Property that is 100% exempt from property taxes is estimated and included in Assessed "Market Values" - Commercial

COTTONWOOD HEIGHTS STATISTICAL SECTION

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

Fiscal Year Ended June 30	Municipal Direct Rates				Overlapping Rates									
	Tax Year	Basic Rate	Obligation Debt Service	Total Direct (0)	Jordan School District (Old Debt)	Canyons School District (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)	
2015	2014	0.2386%	-	0.2386%	0.0951%	0.6872%	0.3036%	0.0715%	0.0020%	0.0422%	0.0226%	0.1253%	0.0399%	
2014	2013	0.2522%	-	0.2522%	0.1095%	0.7016%	0.3180%	0.0755%	0.0021%	0.0446%	0.0236%	0.1185%	0.0424%	
2013	2012	0.2654%	-	0.2654%	0.1307%	0.7111%	0.2793%	0.0627%	0.0021%	0.0455%	0.0244%	0.1203%	0.0443%	
2012	2011	0.2586%	-	0.2586%	0.1619%	0.6546%	0.2696%	0.0604%	0.0052%	0.0436%	0.0237%	0.1217%	0.0424%	
2011	2010	0.2517%	-	0.2517%	0.1520%	0.6540%	0.2593%	0.0583%	0.0050%	0.0421%	0.0229%	0.1058%	0.0410%	
2010	2009	0.2399%	-	0.2399%	0.1400%	0.5780%	0.2278%	0.0564%	0.0025%	0.0400%	0.0219%	0.1023%	0.0400%	
2009	2008	0.2098%	-	0.2098%	0.6150%	-	0.1731%	0.0492%	0.0022%	0.0286%	0.0193%	0.0901%	0.0384%	
2008	2007	0.2220%	-	0.2220%	0.6617%	-	0.1994%	0.0517%	0.0023%	0.0302%	0.0205%	0.0958%	0.0400%	
2007	2006	0.2624%	-	0.2624%	0.7347%	-	0.2371%	0.0617%	0.0027%	0.0357%	0.0244%	0.1009%	0.0353%	
2006	2005	0.2624%	-	0.2624%	0.8655%	-	0.2682%	0.0696%	0.0031%	0.0400%	0.0279%	0.1181%	0.0400%	
2005	2004	0.2740%	-	0.2740%	0.8856%	-	0.2816%	0.0733%	0.0033%	0.0353%	0.0269%	0.1219%	0.0392%	

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.

(0) Cottonwood Heights city incorporated in January 2005, prior municipal services provided by Salt Lake County Municipal

(1) Local School District - Transferred from Jordan School District to Canyons School District July 1, 2009

(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 71% of the city boundary.

(5) Jordan Valley Water Conservancy District overlaps approximately 8% of the city's boundary.

**COTTONWOOD HEIGHTS
STATISTICAL SECTION**

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

Taxpayer	FY 2015			FY 2010		
	2014 Taxable Assessed Value	Rank	Percentage of Total Taxable Value	2009 Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Old Mill Corporate Center (Offices)	\$ 115,996,300	1	4.37%	\$ 59,297,900	2	2.17%
NOP Cottonwood (Cottonwood Corporate Center)	97,343,900	2	3.67%	78,856,400	1	2.89%
Fourels Investment Co. (Shopping area)	39,398,100	3	1.49%	38,217,000	3	1.40%
Pinnacle Highland Apartments	37,837,525	4	1.43%	29,256,865	5	1.07%
RBCSU Realty, Inc. / Regence BlueCross/BlueShield	36,561,600	5	1.38%	29,530,400	4	1.08%
Santa Fe Apartments, LLC.	29,204,890	6	1.10%	22,484,440	8	0.82%
James Campbell Company, LLC. (Shopping area)	22,909,520	7	0.86%	24,293,310	6	0.89%
JSP Farms I, LLC	20,613,010	8	0.78%	21,077,400	9	0.00%
Reef Union Park	18,098,300	9	0.68%			0.77%
Union Park	16,138,600	10	0.61%			0.00%
Cottonwood Estates Development				23,473,752	7	0.86%
880 East Canyon/2012 Royal Ridge Apt				13,580,600	10	0.50%
	<u>\$ 434,101,745</u>		<u>16.37%</u>	<u>\$ 340,068,067</u>		<u>12.44%</u>
Total City Taxable Assessed Value	<u>\$ 2,651,398,782</u>			<u>\$ 2,733,074,411</u>		

Source: Salt Lake County Auditor

**COTTONWOOD HEIGHTS
STATISTICAL SECTION**

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

Fiscal Year Ended June 30	Total Tax		Collected within the Fiscal Year of the Levy		Total Delinquent Collections in		Total Collections to Date		Total Year-end Assessed Taxable Value	Assessed % of Assessed Market Value	Total Direct Rate	Original Budget Used to Set Tax Rate
	Levy for Fiscal Year	Fiscal Year	Amount Collected	Percentage of Levy	Subsequent Years Classified in Tax YR	Amount Collected	Percentage of Levy	Assessed Taxable Value				
2015	\$ 6,710,628	\$ 6,568,976	\$ 6,568,976	97.9%	\$ 56,688	\$ 6,625,664	98.7%	\$ 2,808,487,947	61.4%	0.2386%	\$ 6,435,856	
2014	6,778,261	6,553,243	6,553,243	96.7%	118,607	6,671,850	98.4%	2,673,880,161	61.8%	0.2522%	6,465,048	
2013	6,778,261	6,554,349	6,554,349	96.7%	160,125	6,714,474	99.1%	2,558,537,236	61.5%	0.2654%	6,431,714	
2012	6,681,842	6,420,677	6,420,677	96.1%	213,781	6,634,458	99.3%	2,586,009,528	61.1%	0.2586%	6,437,173	
2011	6,618,763	6,374,612	6,374,612	96.3%	200,475	6,575,087	99.3%	2,637,819,101	60.9%	0.2517%	6,445,912	
2010	6,522,478	6,216,140	6,216,140	95.3%	235,771	6,451,912	98.9%	2,733,074,411	61.2%	0.2399%	6,423,917	
2009	6,570,859	6,272,729	6,272,729	95.5%	262,538	6,535,267	99.5%	3,127,008,827	61.0%	0.2098%	6,412,498	
2008	6,540,141	6,339,067	6,339,067	96.9%	148,813	6,487,880	99.2%	2,930,638,091	60.7%	0.2220%	6,363,928	
2007	6,399,901	6,258,487	6,258,487	97.8%	116,506	6,374,993	99.6%	2,434,513,972	61.2%	0.2624%	6,288,245	
2006 (1,2)	3,581,808	3,485,526	3,485,526	97.3%	83,090	3,568,616	99.6%	2,097,469,016	61.2%	0.2624%	5,503,759	

Source: Cottonwood Heights Finance Department, SL County Auditor, Utah State Tax Commission
Note: Cottonwood Heights city incorporated in January 2005, prior municipal services provided by Salt Lake County Municipal

(1) City direct Property Tax collections first occurred in 2006-07 fiscal year. (Salt Lake County data estimated)

(2) City entitled to approximately 1/2 of Property Tax collections in 2006-07 fiscal year.

COTTONWOOD HEIGHTS
STATISTICAL SECTION

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

Fiscal Year Ended June 30	General		Special Assessment Bonds (1)	Sales Tax Revenue		Total Outstanding Debt	Percentage of Personal Income (2)		State Committee		
	Obligation Bonds (1)	Capital Leases		Bonds (1)	Bonds (1)		Income (2)	Population (3)	Calculated Population (3)	Debt Per Capita	
Governmental Activities											
2015	\$ -	\$ 1,168,247	\$ -	\$ 13,770,000	\$ 14,938,247	1.074%	34,166	\$ 437.23			
2014	-	834,317	-	-	834,317	0.065%	34,017	24.53			
2013	-	1,142,503	-	-	1,142,503	0.097%	34,017	33.59			
2012	-	729,090	-	-	729,090	0.064%	34,068	21.40			
2011	-	955,676	-	-	955,676	0.082%	33,433	28.58			
2010	-	664,898	-	-	664,898	0.052%	35,407	18.78			
2009	-	826,985	-	-	826,985	0.066%	35,351	23.39			
2008	-	-	-	-	-	0.000%	34,954	-			
2007	-	10,048	-	-	10,048	0.001%	35,932	0.28			
2006	-	20,619	-	-	20,619	0.002%	35,835	0.58			
2005	-	31,500	-	-	31,500	0.003%	36,033	0.87			

Note: Cottonwood Heights city incorporated in January 2005, prior municipal services provided by Salt Lake County Municipal
The City has no Business-type activities

- (1) Presented net of original issuance discounts and premiums
- (2) Personal income is disclosed on Chart 14
- (3) Utah State Population Committee, US Census

COTTONWOOD HEIGHTS
STATISTICAL SECTION

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

Fiscal Year Ended June 30	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Funds (2)	Total	Percentage of Estimated Actual Taxable Value of	
				Property (3)	Per Capita (4)
2015	\$ -	\$ -	\$ -	-	\$ -
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-
2009	-	-	-	-	-
2008	-	-	-	-	-
2007	-	-	-	-	-
2006	-	-	-	-	-

Note: Cottonwood Heights city incorporated in January 2005, prior municipal services provided by Salt Lake County Municipal Details regarding the city's outstanding debt can be found in the notes to the financial statements

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

COTTONWOOD HEIGHTS
STATISTICAL SECTION

DEBT CAPACITY: CHART-11
Cottonwood Heights
Direct and Overlapping Governmental Activities General Obligation Debt
As of June 30, 2015

Overlapping Government Unit	General Obligation Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Cottonwood Heights
(Debt repaid with property taxes)			
Central Utah Water Conservancy District	\$ 250,170,000	3.86%	\$ 9,665,939
Jordan School District (old debt)	44,731,300	17.52%	7,836,619
Canyons School District	280,611,300	17.10%	47,989,616
Salt Lake County - General & Library	199,790,000	3.56%	7,121,991
South Salt Lake Valley Mosquito District	-	5.32%	-
Cottonwood Improvement 'Sewer' District	-	43.97%	-
Cottonwood Heights Parks & Recreation Service Area	5,640,000	98.00%	5,527,200
Jordan Valley Water Conservancy District	247,460,226	0.13%	309,765
Subtotal, overlapping general obligation debt	<u>1,028,402,826</u>		<u>78,451,130</u>
City direct general obligation debt	15,762,633.00	100.00%	15,762,633
Total direct and overlapping general obligation debt	<u>\$ 1,044,165,459</u>		<u>\$ 94,213,763</u>

Sources: Salt Lake County - Comprehensive Annual Financial Report for 2014, and other entities CAFR.

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

**COTTONWOOD HEIGHTS
STATISTICAL SECTION**

**DEBT CAPACITY: CHART-12
Cottonwood Heights
Legal Debt Margin Information
June 30, 2015**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Fiscal Years										
Debt Constitutional Limit										
General (4% Fair Cash Value)	\$ 171,480,788	\$ 168,046,255	\$ 161,340,169	\$ 164,045,708	\$ 167,840,370	\$ 173,142,213	\$ 198,719,301	\$ 187,241,909	\$ 154,242,965	\$ -
Sewer, Water (4% Fair Cash Value)	171,480,788	168,046,255	161,340,169	164,045,708	167,840,370	173,142,213	198,719,301	187,241,909	154,242,965	-
Total 8% Debt Constitutional Limit	342,981,577	336,092,509	322,680,338	328,091,416	335,680,740	346,284,426	397,438,603	374,483,819	308,485,930	-
Total Net Debt Applicable to Limit	13,770,000	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 329,211,577	\$ 336,092,509	\$ 322,680,338	\$ 328,091,416	\$ 335,680,740	\$ 346,284,426	\$ 397,438,603	\$ 374,483,819	\$ 308,485,930	\$ -
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.015%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%

Legal Debt Margin Calculations

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Tax Years										
Assessed Valuation:										
Reasonable Fair Cash Value	\$ 4,287,269,711	\$ 4,201,156,368	\$ 4,033,504,228	\$ 4,101,142,700	\$ 4,196,009,254	\$ 4,328,555,321	\$ 4,967,982,535	\$ 4,681,047,733	\$ 3,856,074,122	\$ -
Debt Limit (8% of reasonable Fair Cash Value)	342,981,577	336,092,509	322,680,338	328,091,416	335,680,740	346,284,426	397,438,603	374,483,819	308,485,930	-
Debt Applicable to Limit:										
General Obligation Bonds	13,770,000	-	-	-	-	-	-	-	-	-
Less: Amount Set Aside for Repayment of General Obligation Debt	-	-	-	-	-	-	-	-	-	-
Total Net Debt Applicable to Limit	\$ 13,770,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ 329,211,577	\$ 336,092,509	\$ 322,680,338	\$ 328,091,416	\$ 335,680,740	\$ 346,284,426	\$ 397,438,603	\$ 374,483,819	\$ 308,485,930	\$ -
Source: Finance Department										

Source: Finance Department

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements
Cottonwood Heights incorporated in 2005, no direct property tax levy until fiscal year 2007
Currently water and sewer services are provided by other special service districts

COTTONWOOD HEIGHTS
STATISTICAL SECTION

DEBT CAPACITY: CHART-13
Cottonwood Heights
Pledged-Revenue Coverage
June 30, 2015

Fiscal Year	Sales Tax Revenues	Debt Service *		Coverage
		Principal	Interest	
2015	\$ 5,319,432	\$ -	\$ 533,440	9.97
2014	-	-	-	-
2013	-	-	-	-
2012	-	-	-	-
2011	-	-	-	-
2010	-	-	-	-
2009	-	-	-	-
2008	-	-	-	-
2007	-	-	-	-
2006	-	-	-	-

Note: Cottonwood Heights incorporated 2005
* Debt Service - net of amortized Bond Premium

COTTONWOOD HEIGHTS
STATISTICAL SECTION

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

Fiscal Year	State Committee Calculated Population (1)	Median Age (1)	Per Capita Income (1,3)	Personal Income (in '000)	Education		K-12 School Enrollment (2)	Metro SLC, UT Unemployment Rate (3)
					Avg Years of Formal Schooling (2)			
2015	34,166	37.40	\$ 40,717	\$ 1,391,137	14.6		4,650	3.3%
2014	34,017	37.30	37,472	1,274,685	14.6		4,596	3.5%
2013	34,017	37.20	34,601	1,177,022	14.6		4,502	5.0%
2012	34,068	37.10	33,559	1,143,288	14.6		4,845	6.0%
2011	33,433	37.00	34,902	1,166,879	14.6		5,133	7.6%
2010	35,407	36.90	36,421	1,289,558	14.5		5,416	7.1%
2009	35,351	36.80 *	35,621	1,259,238	14.5		5,588	5.9%
2008	34,954	36.70 *	32,395	1,132,335	14.5		6,160	3.4%
2007	35,932	36.60 *	32,500	1,167,790	14.5 *		6,123	2.8%
2006	35,835	36.50 *	32,983	1,181,946	14.5 *		6,133	3.4%
2005	36,033	36.40 *	29,321	1,056,524	14.4 *		6,265	4.9%

Note: Cottonwood Heights city incorporated in January 2005, prior municipal services provided by Salt Lake County Municipal * Estimated from US Census reports.

- (1) Utah State Population Committee, US Census
- (2) Local School District Census
- (3) Bureau of Labor Statistics - June FY

COTTONWOOD HEIGHTS STATISTICAL SECTION

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

		2015			2006		
Rank	Employer	Employees	Percentage of Total Employment	Employer	Employees	Rank	Percentage of Total Employment
1	Jet Blue Airways Corporation	1000-1999	7.04%	Jet Blue Airways Corporation	*	1	*
4	Overstock.Com Inc.	500-999	3.52%	Overstock.Com Inc.	*	3	*
4	Regence BlueCross BlueShield of Utah	500-999	3.52%	Regence BlueCross BlueShield of Utah	*	3	*
4	Instructure, Inc	500-999	3.52%				
5	Canyons School District	250-644	2.16%	Jordan School District (pre-Canyons)	*	4	*
7	FHC Property Mgt - Blue Harbor Senior Living	250-499	1.76%				
7	San Disk (Fusion Multisystems Inc.)	250-499	1.76%				
10	Canyon Creek Assisted Living	100-249	0.79%				
10	Canyon Culinary Inc (Porcupine Grill)	100-249	0.79%	Canyon Culinary Inc (Porcupine Grill)	*	10	*
10	Cottonwood Heights Parks & Recreation Service Area	100-249	0.79%	Cottonwood Heights Parks & Recreation Service Area	*	10	*
10	Extra Space Management Inc	100-249	0.79%	Extra Space Management Inc	*	10	*
10	Gastronomy, Inc	100-249	0.79%	Gastronomy, Inc	*	10	*
10	The Home Depot USA Inc	100-249	0.79%	The Home Depot USA Inc	*	10	*
10	KR Acquisitions 1 LLC ET AL (Kern River Gas)	100-249	0.79%	KR Acquisitions 1 LLC ET AL (Kern River Gas)	*	10	*
10	Kroger Group Cooperative Inc (Smiths Food)	100-249	0.79%	Kroger Group Cooperative Inc (Smiths Food)	*	10	*
10	Mastercontrol Inc	100-249	0.79%	Mastercontrol Inc	*	10	*
10	Mountain Land Rehabilitation, Inc	100-249	0.79%				
10	Navitaire Inc	100-249	0.79%	Navitaire Inc	*	10	*
10	Savage Industries Inc	100-249	0.79%	Savage Industries Inc	*	10	*
10	Security National Mortgage	100-249	0.79%				
10	Target Corporation	100-249	0.79%	Target Corporation	*	10	*
10	Teksystems Inc	100-249	0.79%				
Top Ten Principal Employers		4,790 - 8,129	35.18%				
All Reported Employers in City		15,000 - 27,000					

Source: Utah Department of Workforce Services
Cottonwood Heights incorporated in 2005, Fiscal Year 2006 is first complete year
* 2006 Data unavailable; Majority of 2015 employers were operational in 2006.
Cottonwood Heights does not maintain employer - employee data

**COTTONWOOD HEIGHTS
STATISTICAL SECTION**

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

	Full-time Equivalent Employees as of June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Function										
General Government	16.49	16.23	16.64	16.11	15.11	15.52	14.77	15.10	13.23	11.00
Public Safety										
Police										
Sworn Officers	38.50	36.50	36.50	36.25	35.25	34.50	33.00	2.00	-	-
Non-Sworn	11.46	11.46	10.96	10.20	10.00	8.75	8.75	-	-	-
Ordinance Enforcement	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00		
Highways and streets										
Maintenance	4.65	4.65	4.65	4.00	4.20	2.00	2.00	1.00	1.00	-
Community & Economic Development	5.54	5.17	4.54	4.54	4.00	3.15	4.50	4.50	4.50	5.00
Total	78.64	76.01	75.29	73.10	70.56	65.92	65.02	25.60	18.73	16.00

Source: City Finance / Budget department
Cottonwood Heights was incorporated January 14, 2005

**COTTONWOOD HEIGHTS
STATISTICAL SECTION**

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

	Fiscal year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public Safety										
Police:										
CHPD-Total calls for service	22,949	21,666	25,614	25,379	22,316	23,860	22,050	7,323	-	-
Homicide, Armed Robbery, Assaults w/Weapons	25	34	26	30	12	**	**	**	-	-
Clearance Rates	76%	82%	-	90%	92%	**	**	**	-	-
Assault, Burglary, Larceny, Vehicle Thefts & Rape	1022	983	1020	995	966	**	**	**	-	-
Clearance Rates	33%	20%	-	73%	55%	**	**	**	-	-
CHPD-Number of arrests	1,228	1,185	1,329	1,270	1,015	990	933	22	-	-
CHPD-Number of DUI arrests	165	127	308	307	135	178	255	88	-	-
CHPD-Avg. Priority 1 calls response times	4:57	5:09	4:28	4:40	4:51	4:47	4:47	5:23	6:47	6:40
SLCoSheriff-Avg. Priority 1 calls response times										
Ordinance Enforcement:										
Animal involved calls for service	1,382	1,171	1,373	1,362	1,188	**	**	**	**	**
Ordinance violation citations issued	172	118	127	92	108	**	**	**	**	**
Fire:										
Number of fire calls	709	822	881	946	959	923	882	1,054	1,068	1,013
Number of medical calls	2,596	2,477	2,224	2,520	2,363	2,281	1,997	2,242	2,153	2,375
Public Works										
Number of issued excavation permits closed	341	72	223	229	274	429	177	236	225	167
Square feet of chip seal applied	-	237,650	556,500	476,050	651,489	1,159,335	-	889,561	680,531	-
Square feet of slurry seal / reclaimer applied	-	759,310	1,696,665	411,865	1,052,379	-	654,972	3,586,922	2,159,871	-
Square feet of overlay completed	496,145	236,280	541,755	477,367	524,549	275,298	315,201	454,810	664,727	-
Community and Economic Development										
Number of business licenses renewed	1,454	1,421	1,291	1,269	1,388	1,425	1,441	1,337	1,263	**
Number of new business licenses issued	192	180	154	167	163	154	214	269	260	**
Building permits issued	536	486	408	382	372	389	384	406	560	545
Number of building inspections	1,680	1,234	1,102	1,149	1,149	**	**	**	**	**
Square footage of new office space	678,393	160,000	-	232,000	-	-	-	-	-	-
Total square footage of office space	3,124,235	2,445,842	2,285,842	2,298,481	2,053,842	**	**	**	**	**

Source: Various City departments

**not available

**COTTONWOOD HEIGHTS
STATISTICAL SECTION**

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

Function	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Number of general governmental buildings (leased)	1	1	1	1	1	1	1	1	1	1
Number of storage buildings (owned/leased)	0/4	0/4	0/4	1/1	1/1	1/1	1/1	1/1	1/0	1/0
Public Safety										
Number of Police stations (leased)	1	1	1	1	1	1	1	-	-	-
Number of Police substations (County owned) (1)	-	-	-	-	-	-	-	1	1	1
Number of Fire stations (1)	2	2	2	2	2	2	2	2	2	2
Fire Hydrants	1195	1080	1,080	1,123	1,123	1,123	1,123	1,123	1,123	1,123
Library (1)	1	1	1	1	1	1	1	1	1	1
Public Works										
Number of Public Works buildings / Yards	0/1	0/1	0/1	0/1	0/1	0/1	0/1	0/1	-	-
Number of Street Lights	1,092	1,090	870	868	868	868	868	868	868	868
Number of Lane Miles of Road	250	250	250	250	250	250	250	250	250	250
Number of Intersections with Traffic Signals	32	32	32	32	32	32	32	32	32	32
Miles of Storm drains *	71.9	71.9	71.9	71.9	71.9	71.9	71.9	71.9	71.9	71.9
Number of issued excavation permits closed	341	72	223	229	274	429	177	236	225	167
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	9.53	9.53	2.14	1.63	1.63	1.63
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
Cottonwood Heights was incorporated January 14, 2005
* Existing storm drains found in 2014, applied to all years
(1) Owned by Salt Lake County or a Special District

