

Murray City Corporation

Murray, Utah



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

Blair Camp, Mayor
www.murray.utah.gov

Annual Comprehensive Financial Report

For Fiscal Year Ended June 30, 2021

Murray City Finance Department

Brenda Moore, CPA - Director of Finance & Administration
Emily Barton – Controller
JoAnn Miller – Senior Accountant
Robyn Hershgold – Payroll Coordinator
Tani Bell – Accounts Payable Technician



**MURRAY CITY CORPORATION
UTAH**



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MURRAY CITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2021



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INTRODUCTORY SECTION



For Fiscal Year Ended June 30, 2021



December 7, 2021

LETTER OF TRANSMITTAL

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

The Annual Comprehensive Financial Report (ACFR) of Murray City (the City) for the fiscal year ending June 30, 2021, is submitted herewith. This report has been prepared by the City's Finance and Administration Department in accordance with Generally Accepted Accounting Principles (GAAP), for local governments as prescribed by the Governmental Accounting Standards Board.

This report consists of management's representations concerning the finances of the City. 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, the City's management 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 the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive 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 to the best of our knowledge and belief this financial report is complete and reliable in all material respects.

As required by State law, an annual audit has been completed by HBME, LLC, an independent public accounting firm. The goal of the independent audit was to prove reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The report of the independent auditor is presented as the first component of the financial section of this report.

The City is required to undergo a federal single audit. Such audits are based on the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to the single audit, including the opinion on the schedule of expenditures of federal awards, the auditors' reports on compliance and internal controls over financial reporting in accordance with Generally Accepted Governmental Auditing Standards (GAGAS), and the auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), are available in a separate report.

GAAP requires 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 the Government

Murray City, incorporated in 1903, is located in the central portion of Salt Lake County, approximately eight miles south of Salt Lake City. The City currently occupies a land area of about 14 square miles and serves a population of about 50,637. The City is empowered to levy a property tax on both real and personal

properties located within its boundaries. It is also empowered by state statute to impose a 1.2 percent local option sales tax on all retail sales.

The City has operated under the strong mayor-council form of government since 1982. Policy-making and legislative authority are vested in the City Council which is made up of five members elected by district. The City Council is responsible for adopting the annual budget, approving committee appointments, approving department head appointments, and providing other legislative direction and approval. The City Council is elected on a non-partisan basis with members serving on a staggered four-year term basis.

The City has a full-time Mayor who is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the government, and appointing the heads of the various departments. The Mayor is elected at-large for a four-year term.

The City provides a full range of services including police protection; fire and ambulance services; construction and maintenance of highways, streets and infrastructure; and recreational activities and cultural events. In addition to general government activities, the governing body controls the Water Fund, the Wastewater Fund, the Power Fund, the Solid Waste Management Fund, the Storm Water Fund, the Telecommunication Fund, and the Murray Parkway Recreation Fund; therefore, these activities are included in the reporting entity. However, the Murray City School District does not meet the established criteria for inclusion in the reporting entity, and accordingly, is excluded from this report.

Factors Affecting Financial Conditions

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Murray City operates.

State Economy

According to the State of Utah's 2021 Economic Report to the Governor, the Utah economy ended it's decade long expansion due to the COVID-19 pandemic. The Pandemic affected some areas of the economy more than others but overall, the effect on the Utah economy was mild. A strong recovery is anticipated with 58,000 new jobs to be added to the economy.

Utah's population grew by 52,829 to reach 3.273 million in 2020. About 48 percent of this growth came from net in-migration as people moved to the state to take advantage of economic opportunity.

The consensus forecast predicts increasing uncertainty and moderation. The emergence of COVID-19 in March 2020 resulted in a serious, short-term shock to the State and local economies. Despite a grim outlook provided at the start of the second quarter of 2020, the Utah economy recovered strong, and continues to be named one of the strongest in the nation.

Local Economy

The City is a major retail center in Salt Lake County with a regional mall, eleven major automobile dealerships, and several big box retailers. Because of this sales tax diversification, the City has been able to maintain stability during economic uncertainty.

The City is committed to redevelopment and revitalization efforts. As an example of this commitment, the City has agreed to provide tax increment reimbursement to the Jesse Knight Legacy Center, LLC, to help with the environmental cleanup of the Ore Sampling Mill located at 5510 S 300 W.

Long-term Financial Planning

Murray City continues to use a capital improvement plan (CIP) for capital construction and maintenance projects and equipment replacement. The CIP requires City leaders to plan and review the next five years projected capital needs. The City funds the CIP program with General Fund budget savings. The funds are allocated by the CIP committee which meets several times in the months of January and February each year to make recommendations. The CIP committee is made up of two members of City Council, the Mayor, the Finance Director, and Chief Administrative Officer. The recommendations are presented to the City Council each April. The budget is passed as part of the City's overall budget after Council changes have been incorporated. This framework places a continuous emphasis on capital improvements and capital maintenance.

The City has been and will continue to be judicious in the use of debt financing.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to Murray City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. This was the fortieth consecutive year that the City has achieved this prestigious award. In order for a comprehensive annual financial report to be awarded a Certificate of Achievement, the City must publish a report which is easily-readable, efficiently-organized, and satisfies both generally-accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire Finance Department staff. I would like to express my appreciation to all staff members who assisted in and contributed to its preparation. Credit must also be given to the Mayor and the City Council for their support and for maintaining the highest standards of professionalism in the management of Murray City's finances.

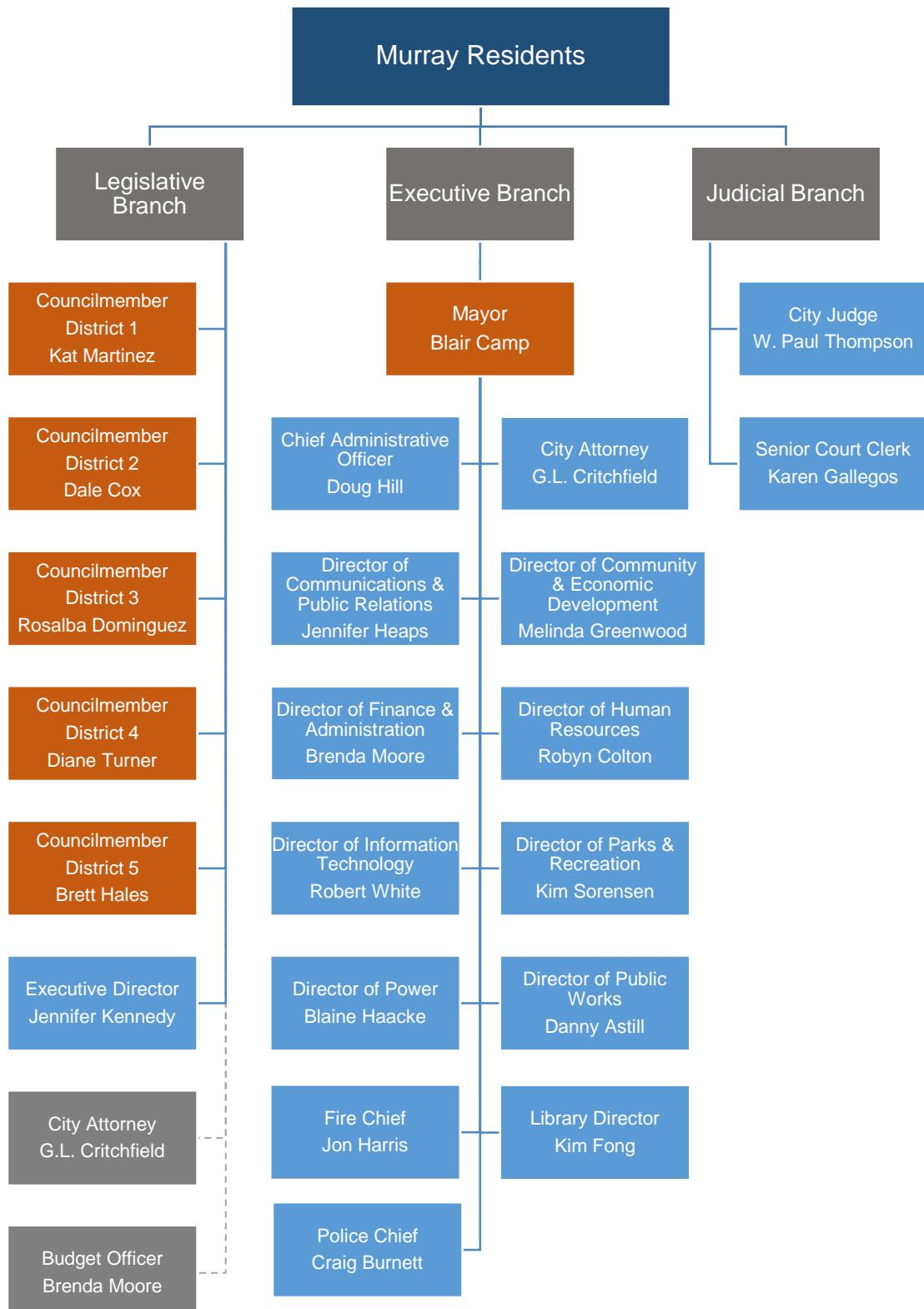
Respectfully submitted,



Brenda Moore, CPA
Finance & Administration Director



ORGANIZATIONAL CHART





ELECTED OFFICIALS AND ADMINISTRATION

Elected Officials

Mayor	Blair Camp
Councilmember – District 1	Kat Martinez
Councilmember – District 2	Dale Cox
Councilmember – District 3	Rosalba Dominguez
Councilmember – District 4	Diane Turner
Councilmember – District 5	Brett Hales

Appointed by Mayor and Council

City Attorney	G.L Critchfield
City Engineer	Trae Stokes
City Recorder	Brooke Smith
City Treasurer	Wendell Coombs
Executive Director to the Council	Jennifer Kennedy
Finance & Administration Director / Budget Officer	Brenda Moore
Municipal Court Judge	W. Paul Thompson

Executive Team

Mayor	Blair Camp
Chief Administrative Officer	Doug Hill
City Attorney	G.L Critchfield
Director of Communications & Public Relations.....	Jennifer Heaps
Director of Community & Economic Development	Melinda Greenwood
Director of Finance & Administration	Brenda Moore
Director of Human Resources	Robyn Colton
Director of Information Technologies	Robert White
Director of Parks & Recreation	Kim Sorensen
Director of Power	Blaine Haacke
Director of Public Works	Danny Astill
Fire Chief	Jon Harris
Library Director	Kim Fong
Police Chief	Craig Burnett



ORGANIZATIONAL LIST – DIVISION LEVEL

The following lists the divisions by department.

Community & Economic Development

- Building Division
- Community & Economic Development
- Redevelopment Agency

City Attorney

- Civil Division
- Criminal Division
- Risk Management

City Council

- Office of the Council

Courts

Finance & Administration Department

- Finance & Accounting
- Budget
- Recorder's Office
- Treasurer's Office
- Utility Customer Service/Billing

Fire Department

- Administration
- Emergency Medical Services
- Fire Suppression

Human Resources

Information Technology

- Geographic Information Systems (GIS)
- Information Technology (IT)

Library

Mayor

- Mayor's Office
- Municipal Building Authority

Parks & Recreation Department

- Cemetery
- Facilities
- Senior Recreation Center
- Murray Parkway
- Outdoor Pool
- Parks
- Park Center

Police Department

- Administration
- Animal Control
- Community Services
- Investigations
- Patrol

Power Department

Public Services

- Class C Roads
- Engineering
- Fleet Maintenance
- Solid Waste
- Storm Water
- Streets
- Wastewater
- Water



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

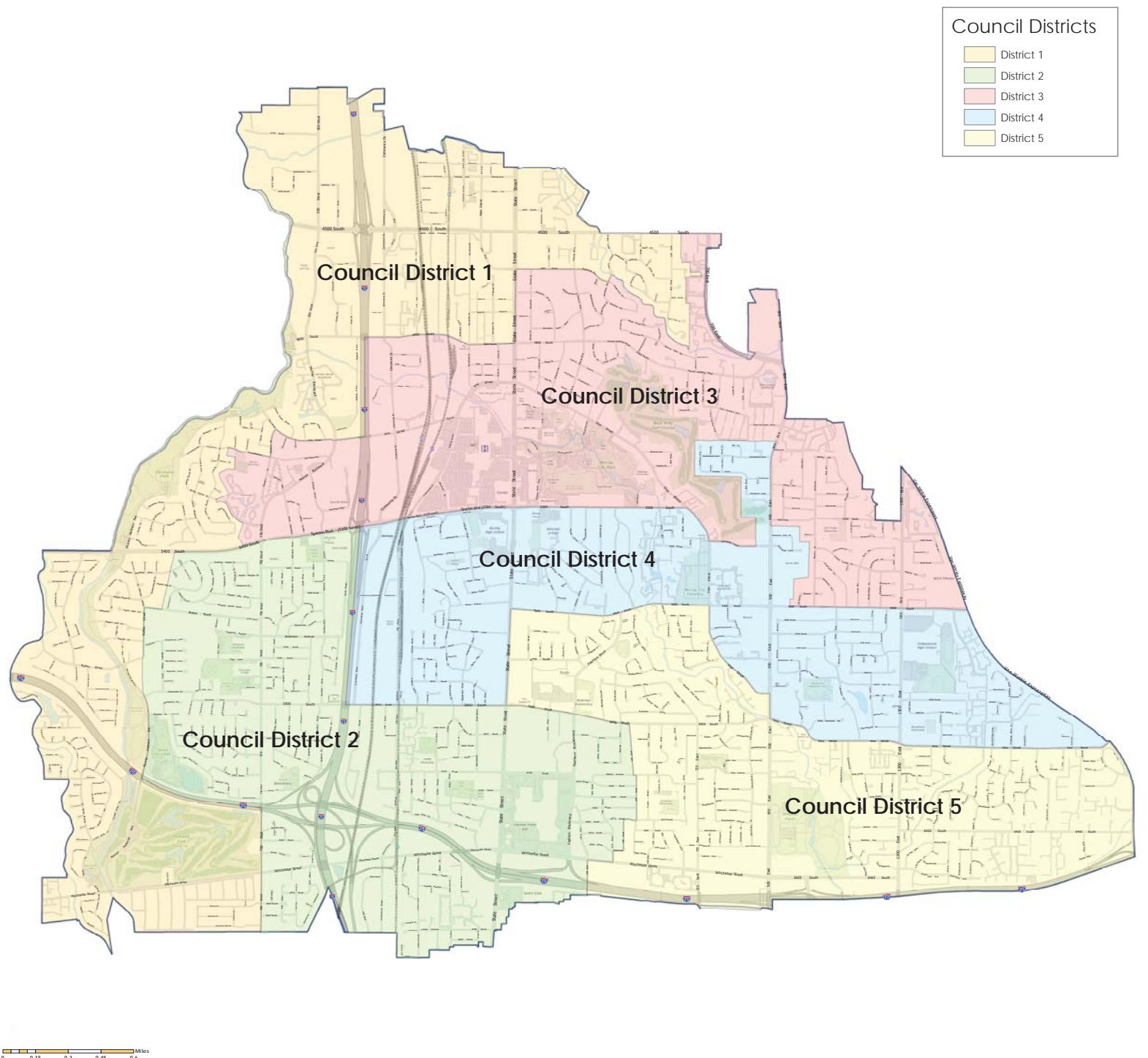
**Murray City Corporation
Utah**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Monell

Executive Director/CEO



Murray City - Council Districts

Murray City
GIS Division
4646 South 500 West
Murray, Utah 84123
www.murray.utah.gov
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Map Disclaimer:
<http://www.murray.utah.gov/1605>
The above information was not
guaranteed and has been secured from
sources deemed reliable.



MURRAY

FINANCIAL SECTION



For Fiscal Year Ended June 30, 2021



COMMITTED. EXPERIENCED. TRUSTED

**CERTIFIED PUBLIC
ACCOUNTANTS**

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA
MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
SHAWN F. MARTIN, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
Murray City Corporation, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Murray City Corporation, Utah (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Murray City Corporation, Utah, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13-28, the budgetary comparison information on pages 95-98, and the pension schedules on pages 99-101 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information Included in the Annual Report

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

HBM&C, LLC

December 2, 2021



As management of Murray City (the City), we offer readers of the Murray City financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. Readers are encouraged to consider the information presented here in conjunction with the additional information furnished in the Letter of Transmittal.

FINANCIAL HIGHLIGHTS

- Despite the continuing effects of COVID-19 General Fund revenues exceeded expenses by \$8.9 million. Sales tax receipts to the City were \$2.9 million (14%) above the previous year. Taxable Sales throughout the state of Utah were 17.79% higher than the previous year. Taxable sales by Murray businesses were up 13.12% from the previous year. Overall, General Fund Revenue was \$4.9 million (10%) higher than in FY2020, of this, \$2.1 million was due to CARES Act funding. This, combined with very conservative spending of all City departments, allowed the General Fund to transfer \$7.9 million dollars more than the amount budgeted to the Capital Projects Fund.
- The City received \$2,913,245 of Federal CARES Act funding. \$710,842 was used in fiscal year 2020 and \$2,202,403 was used in fiscal year 2021. The CARES Act funds were used to provide utility assistance to citizens affected by COVID (\$108,390), small business grants (\$376,429), paid COVID leave to employees (\$95,172), paid unemployment expenses for part-time employees (\$13,671), and covered costs associated with many projects designed to make and keep City facilities safe for employees and citizens (\$280,679). The remaining \$1,328,062 was designated for Public Safety salaries. During fiscal year 2021 the General Fund received \$2,117,222, from the CARES Act, with the remaining \$85,181 spread across other funds.
- In November 2020, the Municipal Building Authority of Murray City (MBA) was reactivated and completed the sale of \$31,310,000 par value 4% coupon bonds at a premium with a true interest cost of 2.895%. The bond proceeds are for city hall construction and furnishings, less cost of issuance. Construction was started October 2020 and is expected to be completed March 2023.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2021 by \$293,795,280 (net position). Of this amount, \$88,186,314 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$20,227,102. Of this increase, \$17,217,775 (85.1%) is attributable to governmental activities, and \$3,009,327 (14.9%) to business-type activities. The increase for governmental activities can be attributed to a combination of several factors – the receipt of \$1.4 million of donated infrastructure, General Fund revenue in excess of expenses of \$8.9 million, the Library Fund set aside \$1 million towards a new library, \$1 million from the RDA having increased revenue and decreased expenses, and \$5.6 million from a decrease in pension liabilities. The City received \$2,345,861 of donated infrastructure, \$1,435,760 in governmental activities (8% of net position increase), and \$910,101 in business-type activities (30% of the net position increase).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$74,684,650. This is an increase of \$41,107,857 from the prior fiscal year with an increase of \$29,599,891 due to the activation of the MBA and the sale of bonds to finance a new city hall. The Library Fund balance increased by \$1,065,313 as they continue saving for a new building. The General Fund fund balance increased by \$859,010, and the Redevelopment Agency Fund balance increased by \$1,086,183. The Capital Projects Fund increased by \$8,480,769, due to the General Fund revenues exceeding expenses by \$8.9 million and transferring the majority of that amount to the Capital Projects Fund to support future infrastructure and maintenance.



FINANCIAL HIGHLIGHTS (continued)

- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$12,561,692 or 24% of General Fund revenues. The General Fund's net change of fund balance was an increase of \$803,688 which was held to maintain the General Fund's reserves to the amount previously allowed by state law. In January 2021, the Utah State Legislature changed state law to allow Cities to have reserves up to 35% of General Fund revenue. The City decided to maintain the 25% they had in previous years. In the General Fund, any revenues in excess of expenditures are transferred to the Capital Projects Fund to support infrastructure maintenance and improvements.
- The City's total long-term liabilities (excluding net pension liability) increased by \$34,280,171 or 124%. This is due to the issuance, by the MBA, of \$31,310,000 par value of bonds at a premium of \$4,875,287, which will be used to build and furnish a city hall. The issuance combined with normal bond and loan payment activity accounts for the change.

REPORT OVERVIEW

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The Statement of Net Position presents information on all the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, other non-financial factors should also be considered.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish between the governmental activities and business-type activities of the City. Governmental activities are principally supported by taxes and intergovernmental revenues, while business-type activities are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City include general government, public safety, highways and public improvements, parks and recreation, library, and community and economic development. The business-type activities of the City include utilities (water, wastewater, power, solid waste, and storm water), telecommunication connections, and the Murray Parkway golf course.

The government-wide financial statements include not only Murray City (the primary government), but also two legally separate component units, the Redevelopment Agency of Murray City and the Municipal Building Authority of Murray City. The government-wide financial statements can be found on pages 29-30 of this report.



FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like any other state and local government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds (business-type).

A. Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Governmental funds report the difference among their assets, deferred outflows of resources, liabilities, and deferred inflows of resources as fund balances, which are divided into non-spendable, restricted, committed, assigned, and unassigned portions.

- *Nonspendable* balances include inventories and prepaid expenditures that are not expected to be converted to cash.
- *Restricted* balances include net fund resources of the City that are subject to external constraints due to state or federal laws or externally imposed conditions by grantors or creditors. Restrictions include bond and capital lease proceeds designated for specific projects, debt service reserve requirements, and grant proceeds.
- *Committed* balances reflect the City's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds.
- *Assigned* balances in the General Fund and other governmental funds are those that do not meet the requirements of restricted or committed but are intended to be used for specific purposes.
- *Unassigned* balances in the General Fund are all other available net resources.

As of June 30, 2021, the City's combined governmental fund balance is \$74,684,650. Of this balance, \$806,158 (1.08%) is nonspendable, \$32,934,146 (44.10%) is restricted, \$1,415,657 (\$1.89%) is committed, \$26,966,997 (36.11%) is assigned, and \$12,561,692 (16.82%) is unassigned. The governmental fund balance increased \$41,10,857 from the prior year's ending balance. \$30 million of this was due to the MBA city hall construction, the remaining \$11 million was due to revenues for exceeding expectation, and decreased expenditures in all governmental funds.

Additional details regarding governmental fund balances can be found in Note 1 on page 54 and Note 18 on page 92 of this report.



FUND FINANCIAL STATEMENTS (continued)

A. Governmental Funds (continued)

Governmental funds are reported using the modified accrual method of accounting, which measures cash and other financial assets readily convertible 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 the financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities and governmental funds is detailed in a reconciliation included with the fund financial statements.

The City maintains the following six individual governmental funds:

- General Fund
- Municipal Building Authority Fund (MBA)
- Redevelopment Agency Fund (RDA)
- Capital Projects Fund
- Library Fund
- Cemetery Fund

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, Redevelopment Agency Fund, Library Fund, Municipal Building Authority Fund, and Cemetery Fund. The Cemetery Fund is the only nonmajor governmental fund, all other governmental funds are considered major.

The City adopts an annual appropriated budget for its government funds. A budgetary comparison statement has been provided for all of these funds to demonstrate budgetary compliance.

The basic governmental fund financial statements can be found on pages 31-38 of this report.

B. Proprietary Funds

The City maintains two different types of proprietary funds – enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater, power, solid waste, and storm water utilities, as well as activities of the golf course and telecom connections.

Internal service funds are used to report the activities that provide goods or services to other funds on a cost-reimbursement basis. The City uses internal service funds to account for the maintenance of its vehicles and equipment in a central garage, as well as the management of its self-insurance program. Since both these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Individual fund information is provided in the form of combining statements in the supplementary information section of this report.



FUND FINANCIAL STATEMENTS (continued)

B. Proprietary Funds (continued)

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the major funds of water, wastewater, power, and storm water funds. Information from the nonmajor proprietary funds are combined into a single, aggregated presentation. Individual fund information for these funds is provided in the form of combining statements in the supplementary information section on pages 109-112 of this report.

C. Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 47 of this report.

D. Required Supplementary Information (RSI)

This section contains budget to actual comparison statements for the City's General Fund as well as the RDA and Library Funds. This section also contains required supplementary information for the City's pension program. The RSI section begins on page 95.

E. Other Information

In addition to the aforementioned statements and reports, this report also presents an additional supplementary information section and a statistical section, which give more detailed information to the reader. The supplemental section includes individual fund financial statements for the City's internal service funds and nonmajor enterprise funds. The statistical section gives various financial and demographic data of the City, including trend analysis for certain financial data. The supplementary section begins on page 103; the statistical section begins on page 113.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table summarizes the City's net position:

	Governmental Activities	Business-type Activities	Total	
	FY 2021	FY 2020	FY 2021	FY 2020
Current and other assets	\$100,547,505	\$57,751,065	\$64,736,671	\$62,298,956
Capital assets	152,018,779	143,968,170	83,128,057	83,701,580
Total assets	252,566,284	201,719,235	147,864,728	146,000,536
Total deferred outflows of resources	4,068,231	4,122,726	1,343,059	1,379,632
Long-term liabilities	47,215,132	11,831,713	14,697,836	15,801,084
Net pension liability	2,256,708	7,861,522	868,542	2,417,004
Other liabilities	9,293,685	10,320,541	10,706,981	10,459,440
Total liabilities	58,765,525	30,013,776	26,273,359	28,677,528
Total deferred inflows of resources	24,318,061	19,495,031	2,690,077	1,467,616
Net position:				
Net investment in capital assets	133,861,274	131,607,674	67,916,799	67,590,232
Restricted	3,565,760	2,141,041	265,133	268,835
Unrestricted	36,123,895	22,584,439	52,062,419	49,375,957
Total net position	\$173,550,929	\$156,333,154	\$120,244,351	\$117,235,024
				\$293,795,280
				\$273,568,178



GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$293,795,280 as of June 30, 2021. This is an increase of \$20,227,102 from the previous fiscal year.

As of June 30, 2021, the City was able to report positive balances in all three categories of net position – government-wide, governmental activities, and business-type activities.

All funds, with the exception of the Parkway Fund, reported positive fund balances for all categories of net position.

- *Net Investment in Capital Assets* - By far the largest portion of the City's position (68.68%) reflects its investments in capital assets (e.g., land, buildings, infrastructure, equipment, intangibles, and construction in progress), less any outstanding related debt used for acquisition of those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- *Restricted Net Position* - The increase in restricted net position is the result of an increase in funds restricted for moderate income housing in the RDA Fund and transportation sales tax received but not spent in the Capital Project Fund.
- *Unrestricted Net Position* - As mentioned in the financial highlights, the City's governmental activities increased their unrestricted net position due to revenues in excess of expenses in the General Fund, RDA Fund, and Library Fund. The Municipal Building Authority was also activated during the year and contributed to the increase in fund balance. The business-type activities of the City had an increase in unrestricted net position due to Water, Wastewater and Stormwater fee increases. These changes will be discussed in the following section.

The Parkway Fund's negative unrestricted net position decreased \$422,923 or 56.9%, due to increased revenue because of the COVID-19 pandemic. The unrestricted fund balance will continue to maintain a negative unrestricted net position until such time as the interfund loans used for capital improvements to the golf course are paid in full.

The amount reported as unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The following table summarizes the City's operations:

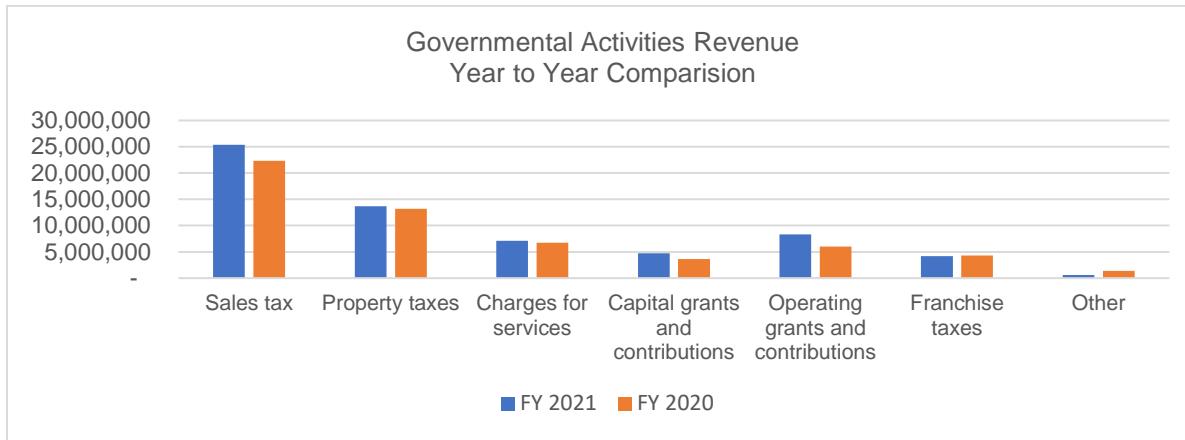
	Governmental Activities		Business-type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Revenues						
Program revenues						
Charges for services	\$ 7,135,412	\$ 6,766,618	\$ 56,275,716	\$ 54,331,184	\$ 63,411,128	\$ 61,097,802
Operating grants and contributions	8,325,868	6,018,627	192,861	25,552	8,518,729	6,044,179
Capital grants and contributions	4,714,366	3,615,817	1,771,276	1,794,385	6,485,642	5,410,202
General revenues						
Sales tax	25,403,224	22,326,561	-	-	25,403,224	22,326,561
Property taxes	13,692,936	13,193,852	-	-	13,692,936	13,193,852
Franchise taxes	4,207,400	4,301,199	-	-	4,207,400	4,301,199
Investment income	318,086	937,008	265,014	1,035,298	583,100	1,972,306
Equity Investment income	-	-	1,226,540	1,383,984	1,226,540	1,383,984
Gain on disposal of assets	48,260	63,687	77,819	27,519	126,079	91,206
Miscellaneous	252,980	401,860	-	-	252,980	401,860
Total revenues	64,098,532	57,625,229	59,809,226	58,597,922	123,907,758	116,223,151
Expenses						
General government	8,610,499	10,546,776	-	-	8,610,499	10,546,776
Public safety	22,792,965	23,739,693	-	-	22,792,965	23,739,693
Highways & public improvements	8,775,291	8,797,948	-	-	8,775,291	8,797,948
Parks, recreation, and culture	9,083,524	9,058,013	-	-	9,083,524	9,058,013
Debt service - interest and fiscal charges	1,266,525	335,231	-	-	1,266,525	335,231
Water	-	-	5,398,755	5,365,345	5,398,755	5,365,345
Wastewater	-	-	4,961,385	5,282,157	4,961,385	5,282,157
Power	-	-	36,985,481	32,730,186	36,985,481	32,730,186
Murray Parkway	-	-	1,492,400	1,493,359	1,492,400	1,493,359
Telecommunications	-	-	59,988	76,854	59,988	76,854
Solid waste	-	-	2,012,379	1,944,437	2,012,379	1,944,437
Stormwater	-	-	2,241,464	2,989,755	2,241,464	2,989,755
Total expenses	50,528,804	52,477,661	53,151,852	49,882,093	103,680,656	102,359,754
Increase in net position before transfers	13,569,728	5,147,568	6,657,374	8,715,829	20,227,102	13,863,397
Transfers - net	3,648,047	3,704,488	(3,648,047)	(3,704,488)	-	-
Increase in net position	17,217,775	8,852,056	3,009,327	5,011,341	20,227,102	13,863,397
Net position at beginning of year	156,333,154	147,481,098	117,235,024	112,223,683	273,568,178	259,704,781
Net position at end of year	\$ 173,550,929	\$ 156,333,154	\$ 120,244,351	\$ 117,235,024	\$ 293,795,280	\$ 273,568,178

Governmental Activities – Governmental activities increased the City's net position by \$17,217,775, which is \$8,365,719 more than the prior year. Key elements affecting this increase in governmental activities net position are as follows:

- Total governmental activities revenue increased by \$6,473,303 from the prior year. Of that amount, \$2.1 million was CARES Act funding, \$3 million was increased Sales Tax collections, and a \$1 million grant for road projects from Salt Lake County. Charges for services rebounded from the COVID-19 shutdown by \$368,794. Investment income decreased by (\$618,922). Personal property tax collections and motor vehicle tax collections increased a combined \$499,084.



GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)



- Expenses for governmental activities decreased by (\$1.9) million. Personnel costs increased by \$.3 million due to insurance cost increases, and the use of a step plan designed to attract and retain employees. The cost of operations decreased (\$1.93) million due to a decrease in activities and spending caused by the COVID-19 pandemic.

Business-type Activities – Business-type activities increased the City's net position by \$3,009,327. Key elements affecting this change in business-type net position are as follows:

- Central Valley Water Reclamation Facility (CVWRF) is currently in the process of rebuilding their water treatment plant and, as a result, the City reported an equity increase in FY2021 of \$1,009,336.
- Total business-type activities operating revenue increased from the prior year due to rate increases in the Wastewater fund and Storm Water Fund. The Water Fund had a rate increase although the effect on revenue was minimal due to water conservation efforts brought on by a multiyear drought. Without the rate increase water revenue would have likely declined. Business-type activities also received \$882,926 in donated assets from developers.
- Total business-type activities expense increased by approximately \$3.3 million from the prior year. Personnel costs decreased (\$.6) million due to employee retirements and open positions. Operations increased \$4.4 million dollars; \$4.7 million was due to increased power purchase costs hydro plant maintenance, and other increased costs in the Power Fund. Operational expenses in Business-Type funds (except the Power Fund) was down a combined (\$.3) million due to conservative spending. Depreciation expense decreased (\$.5 million).



FUND ANALYSIS

The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

A. Governmental Funds

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

General Fund

The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenditures are accounted for in this fund. Revenues exceeded expenditures (not including other financing sources and uses) in the general fund by \$8,937,293. Other financing sources and uses include transfers from Water, Wastewater, and Power enterprise funds of \$3.9 million and the RDA of \$317,877. A transfer of \$11,895,725 to the capital projects fund was completed during the fiscal year. This transfer was made up of \$4 million of local option sales tax, \$1.7 million of sales tax dedicated to transportation projects and \$6.2 million of other revenue dedicated to the support of infrastructure maintenance and improvements. Because the local option sales tax has a sunset clause of June 30, 2030, the City considers this revenue as one-time and assigned the majority to infrastructure maintenance and improvements in the Capital Projects Fund.

The City received a total of \$2,913,245 in CARES Act funding over the past two years. In FY21, the General Fund received \$2,117,222, while \$85,181 was shared among the other funds to help offset additional costs they incurred. In FY20 the City recognized \$710,842 of CARES Act monies for allowable cost incurred in that fiscal year. The CARES Act funds were received to help offset possible increased costs due to the COVID-19 pandemic.

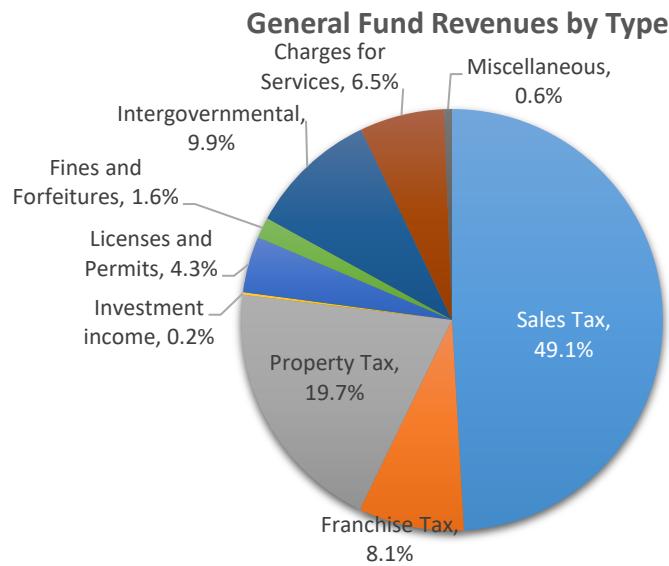
In addition to the transfer to the Capital Projects Fund, the General Fund transferred \$60,000 to the Murray Parkway Fund to subsidize operations and \$327,062 to the RDA as a payment for the purchase of land for city hall.

Taxes continue to be the largest source of revenue in the General Fund and represent 76.9% of total General Fund revenues. The largest component of tax revenue is sales tax, which represents 63.85% of total tax revenues and 49.12% of total General Fund revenues. This compares with 47.67% of total General Fund revenues in the prior fiscal year. The percentage of sales tax to all General Fund revenues increased in fiscal year 2021 due to sales tax receipts increasing \$3 million or 13.8% from the previous year. Property tax collections increased \$331,776 or 3.4%. Property tax is 19.68% of total General Fund revenues, down from 21% in fiscal 2020.



FUND ANALYSIS (continued)

A. Governmental Funds (Continued)



Intergovernmental revenue increased by federal funds authorized to assist municipalities in their response to the COVID-19 pandemic. In Fiscal year 2021, the General fund reported \$2,117,222 in this type of funding.

General Fund expenditures increased \$1,007,056 during fiscal year 2021 to \$42,775,319 from \$41,768,263 in 2020. Personnel costs increased \$359,639 (1%) due to Public Safety overtime, \$236,787 of which was for wildland fire fighting and was reimbursed. Operational expenses increased \$707,587 (8%). Approximately \$387,000 of the change was due to an increase in the Animal Services contract, spending for COVID-19 related expenses which were offset by a grant from the Department of Justice, and an increase in the assessment from the Risk Fund for insurance costs. There were also increased amounts spent in the General Fund on COVID-19 related expenses which were reimbursed by the CARES Act grant.

Capital Projects Fund

The Capital Projects Fund had a fund balance at the end of the year in the amount of \$22,503,966, which is above the fund balance of the previous year. The Capital Projects Fund received a transfer of \$11.9 million dollars from the General Fund, \$1.7 million of which is dedicated to current year transportation related projects, with the remaining \$10.2 million intended to support future infrastructure and capital asset acquisition costs.

Expenditures decreased from \$13.2 million in FY 2020 to \$6.4 million in FY 2021. Due to the unknown long term economic effects of the COVID-19 pandemic, the number of projects approved was decreased. In January, the council approved more spending for police cars and service vehicles, but due to the COVID-19 pandemic they were not received in fiscal 2021.



FUND ANALYSIS (continued)

A. Governmental Funds (Continued)

Municipal Building Authority Fund

As previously stated, the Municipal Building Authority of Murray City (MBA), completed the sale of bonds and started construction of city hall. The MBA received \$35,906,366 net of issuance costs from the sale of the bonds and spent \$6,385,624 on construction and interest costs. The restricted and assigned fund balance finished the year at \$29,599,891.

Redevelopment Agency Fund

During fiscal year 2021, property tax collections from redevelopment areas increased 17.3% to a total of \$4,304,215 from \$3,667,147 in FY 2020. This increase is due to increases in the other participating entities property tax rates and an increase in property values within the RDA areas. The City continues working on a large redevelopment project in the downtown area. The last piece of property for the city hall site is under contract. The RDA fund balance increased \$1,086,183 to a total of \$4,681,788. \$2.3 million of the tax increment is restricted fund balance, set aside for housing.

Expenditures in the RDA Fund increased in FY 2021 due to a cell tower relocation, construction of a road, and an increase of private reimbursements. Expenditures increased from \$2,657,304 in FY 2020 to \$3,117,592 in FY 2021.

Library Fund

The Library Fund balance increased by \$1,065,313; up from an increase of \$933,015 in FY2020, to a total of \$3,732,293. Revenues increased \$42,866. Property tax collections along with grants received offset decreases of library fines, copies, and investment income. Part-time employee costs decreased slightly due to the Library being closed or reduced hours, caused by the COVID-19 pandemic.

Cemetery Fund

The Cemetery Fund did not have any significant changes in either revenue or expenditures in FY 2021. The committed fund balance increased by \$16,691 due to investment income, to a total of \$1,415,657. These reserves are intended to support the perpetual care of the cemetery.

B. Proprietary Funds

A review of the change in net position from year to year is a good analysis tool for the proprietary funds.

- The Water Fund's restricted and unrestricted net position decreased this fiscal year by \$371,701 to a total of \$4,951,579, which is approximately 67% of current annual operating revenues. In spite of a 6% rate increase, operating revenue only increased \$140,138 or 1.9%. This was due to conservation effort from a continuing drought. Operating expenses increased by 2.9% for the year, attributable to an increase in depreciation expense due to large infrastructure projects being completed and starting to depreciate during the year. Wages decreased 5% (\$91,438) while operations increased 5% (\$71,468).



FUND ANALYSIS (continued)

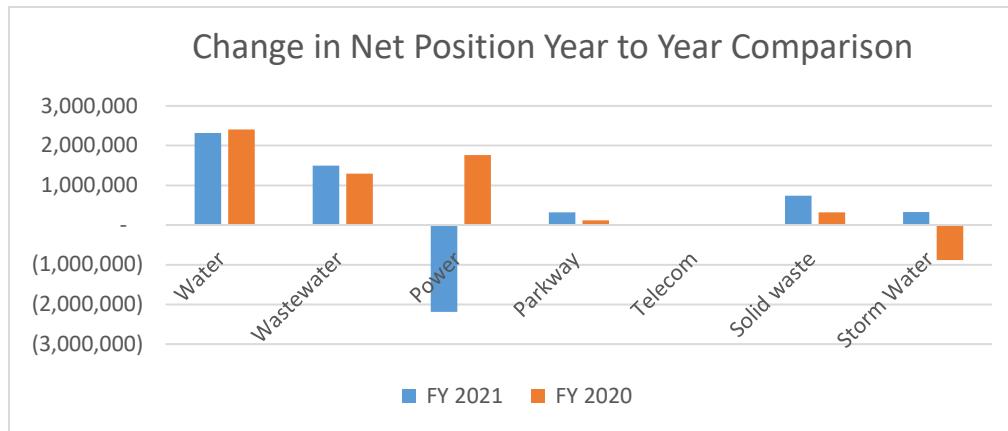
A. Proprietary Funds (Continued)

- The Wastewater Fund's restricted and unrestricted net position increased by \$1,256,371 this fiscal year to a total of \$12,536,864. \$10,878,821 of the unrestricted net position is an investment in the Central Valley Water Reclamation Facility (CVWRF). The remaining \$1,658,043 is 30.9% of the fund's current annual operating revenues.
- The Power Fund's restricted and unrestricted net position increased by \$172,115 this fiscal year to a total of \$30,714,661, which is approximately 83% of current annual operating revenues. The Power Funds operating revenue increased 1.7% while the operating expenses increased by 13%. The increase in operation expense was due to both the hydro and natural gas power generation plants having major rehabilitation and maintenance performed on them along with an increase in the cost of power. The Power Fund revenue fluctuations are based almost entirely on weather. Reserves are intended to support the maintenance of this high-cost infrastructure system.
- The Storm Water Fund's revenues increased 23.3% due to a 21.5% rate increase and an audit verified all properties were being charged correctly. The rate increase was the first of 5 which will occur annually on July 1. The restricted and unrestricted net position increased 125% or \$425,574. The rate increases should stabilize the net position and begin the process of saving for future infrastructure projects. The total of the Storm Water Fund's restricted and unrestricted net position is \$765,280.
- The Parkway Fund (golf course) required transfers from both the General Fund (\$60,000) and Capital Projects Fund (\$105,360) in order to subsidize operations and capital for the fiscal year. The transfer from the Capital Projects Fund provided for the upgrade of restrooms, water heaters, and grounds equipment, while the transfer from the General Fund provided for operations. Operating revenue increased \$217,375 over the previous year due to weather conditions and remaining open, when many golf courses were closed due to the COVID-19 pandemic. The City's FY 2022 budget includes subsidization of this fund by the General Fund. The Parkway Fund's unrestricted net position is (\$320,144) an increase of from the previous year amount (\$743,067). The negative unrestricted fund balance is a result of interfund loans which funded capital improvements in FY2017 and FY2018 (see Note 7 for details).
- The Solid Waste Fund's unrestricted net position increased by \$776,137 to a total of \$3,562,630. The unrestricted net position includes \$2,579,434 in investment in Trans-Jordan Cities, which was transferred to the Solid Waste fund in FY2019. The remaining \$983,196 is 39% of annual revenue. Charges for services increased \$244,920 over the prior year due to a rate increase. The City is continuing to monitor this fund as changes in the recycling market can dramatically increase the cost of material processing.



FUND ANALYSIS (continued)

A. Proprietary Funds (Continued)



GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, general fund budgeted expenditures were amended from an original budget total of \$48,796,755 to a final budget total of \$61,436,616 (26% difference). All departments monitor their budgets closely and are required to stay within their allotment. Expenditure budget adjustments made during the year can be summarized as follows.

A. General government

- \$2,618,732 for CARES Act COVID-19 related expenses
- \$42,501 for wages and insurance changes during open enrollment
- \$7,957,432 additional transfer to the Capital Projects Fund
- (\$12,928) to public safety for wildlife animal services
- \$10,000 for additional audit expenses
- \$40,400 for additional City Council department expenses
- \$23,000 for additional Information Technology salaries due to reorganization
- \$122,000 for computer equipment

B. Public safety

- \$176,056 for CARES Act COVID-19 related expenses
- \$156,366 for grant-funded programs and services
- \$454,983 for wildland firefighting
- \$82,000 for Police overtime & supplies
- \$12,928 for wildlife animal control services

C. Highways and public improvements

- \$4,029 for CARES Act COVID-19 related expenses.
- \$664,023 for Class C road projects

D. Parks, recreation, and culture

- \$180,271 for CARES Act COVID-19 related expenses
- \$17,850 for pool salaries
- \$90,218 for grants & support of arts and recreation programs



GENERAL FUND BUDGETARY HIGHLIGHTS (continued)

General Fund budgeted revenues were amended from \$45,818,249 to \$49,682,521 (8.4% difference). Revenue budget adjustments made during the year can be summarized as follows:

E. Sales Tax

- \$285,250 to revise the budget for increased revenue.

F. Intergovernmental Revenue

- \$2,979,088 was budgeted for CARES Act COVID-19 grants from various agencies.
- \$143,951 was budgeted for additional grants received during the year.
- \$454,983 was budgeted for wildland firefighting reimbursements

G. Miscellaneous

- \$1,000 was budgeted due to victims' advocate fund raising

During the year, actual revenues were greater than budgeted revenues by \$6,226,971. The sales tax budget for FY2021 decreased 15% due to the COVID-19 pandemic, the City had a 13.8% increase in sales tax collections, resulting in \$6,191,806 variance with budget. Fines and forfeitures, along with charges for services, were less than budgeted by \$515,581 due to reduced activities from the COVID-19 pandemic. Licenses and Permits were \$591,121 above budget. Actual expenditures were less than budgeted expenditures by \$6,378,509. The savings by function were general government (42.63%), public safety (21.82%), highways & public improvements (14.85%) and parks & recreation (20.63%), 80% of the General government savings was due to COVID-19 CARES Act funds allocated to previously budgeted expenditures. The savings were due to conservative spending by all areas of the government, as the long-term effects of COVID-19 on the City revenues were unknown.

CAPITAL ASSETS

The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to \$235,146,836. This investment in capital assets includes land, buildings, infrastructure, equipment, intangibles, and construction in progress. Infrastructure is defined as roads, utility systems, recreation systems, parks support systems, and so forth. The total increase in Fixed assets from the previous year's balance of the City's investment in capital assets was \$7,477,086 (3.28%).

	Governmental Activities		Business-type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Land	\$ 26,473,451	\$ 26,222,008	\$ 6,974,069	\$ 6,974,069	\$ 33,447,520	\$ 33,196,077
Road Land - right of ways	47,500,955	46,816,955	-	-	47,500,955	46,816,955
Construction in progress	13,956,370	11,885,573	1,313,397	10,705,076	15,269,767	22,590,649
Buildings	44,946,616	37,408,234	6,218,221	6,218,221	51,164,837	43,626,455
Infrastructure	96,932,589	96,034,331	190,440,323	177,628,999	287,372,912	273,663,330
Equipment	18,177,512	18,160,480	23,038,309	22,365,581	41,215,821	40,526,061
Intangibles	-	-	3,759,027	3,759,027	3,759,027	3,759,027
Accumulated depreciation	(95,968,714)	(92,559,411)	(148,615,289)	(143,949,393)	(244,584,003)	(236,508,804)
Total Capital Assets	\$ 152,018,779	\$ 143,968,170	\$ 83,128,057	\$ 83,701,580	\$ 235,146,836	\$ 227,669,750



CAPITAL ASSETS (continued)

During the year, the City spent \$7,477,086 on assets.

Major capital asset events during the fiscal year 2021 include:

- Construction in progress decreased \$7,320,882 due to the completion of multiple water, stormwater, streets, and wastewater infrastructure projects, which were started in fiscal year 2020.
- Water lines on State street from 4250 S to 5300 S for \$7,296,896.
- Water well rebuilds for \$4,777,171.
- Refurbished ambulance for \$161,817, power bucket truck for \$151,970, seven police vehicles for \$215,849, ten service trucks for various departments for \$399,535
- The acceptance of \$2,345,861 in developer-contributed assets including \$1,435,760 in donated roads and land under the roads, \$441,912 in donated water lines, \$214,598 in donated sewer lines, \$192,641 in donated storm drain infrastructure, and \$60,950 in donated streetlights.

Additional information on the City's capital assets can be found in Note 8 on pages 66-67 of this report.

LONG TERM DEBT

As of June 30, 2021, the City had total long-term bonded outstanding debt of \$62,819,363. The entirety of this amount is represented by bonds secured solely by specific revenue sources. The City has no general obligation bonds outstanding.

	Governmental Activities		Business-type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Revenue Bonds	\$ 47,525,891	\$ 12,360,496	\$ 15,293,472	\$ 16,223,458	\$ 62,819,363	\$ 28,583,954

The City's total bonded debt outstanding increased by \$34,235,409 during the fiscal year (119.8%). This increase is due to the issuance of \$31,310,000 par value of lease revenue bonds at a premium of \$4,875,287, for a true interest cost of 2.895%, and the normally scheduled debt principal payments of (\$1,949,878).

The most recent bond ratings issued for Murray is AA+ from Fitch Ratings, AA from Standard & Poor's, Aa3 by Moody's and AA- for the lease revenue bonds from Standard & Poor's.

Additional information on the City's long term-debt can be found in Note 12 on pages 71-75 of this report.

ECONOMIC FACTORS

- According to the U.S. Bureau of Labor Statistics, the unemployment rate in Salt Lake City as of June 2021 was 2.1% as compared to 6.4% of the previous year. The national unemployment rate was 5.9% as of June 2021 compared to 11.4% of the previous year.
- According to the U.S. Bureau of Labor Statistics, in October 2021 the consumer price index (CPI) in the western region was up 6% from a year ago, while the CPI for the Nation rose 6.2% for that same period.



ECONOMIC FACTORS (continued)

- Statewide sales tax revenue increased by 17.8% in FY2021 which represents strong consumer spending over the past year in spite of the COVID-19 pandemic.

NEXT YEAR'S BUDGETS AND RATES

- The City continues its approach of budgeting conservatively to avoid revenue shortfalls. After removing the CARES Act grant funding, the FY2022 General Fund budgeted revenues still increased \$3.6 million (8.6%) and budgeted expenditures increased \$1.4 million (3.1%). The General Fund used \$2.7 million of reserves to balance the budget.
- The City's utility rate schedules are approved and adopted for 5-year periods of time, based on both the utility master plans and current rate studies.
 - The water utility rate structure has recently transitioned from a flat rate to a tiered rate system. This change was mandated by state law and intended to promote water conservation. The water rate will increase by 5.5% per year through 2022.
 - The storm water utility rate did increase July 1, 2020, by \$1.00 per ERU (21.5%) and will \$.65 per ERU yearly until 2025.
 - The sewer rate is structured to increase 5% per year through 2022.
 - The City's power system is currently self-sufficient with its current rate schedule. No rate increases are anticipated in the near future.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all interested parties. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

Brenda Moore, CPA
Murray City Finance Director
5025 South State Street
Murray, Utah 84107
(801) 264-2513
bmoore@murray.utah.gov

BASIC FINANCIAL STATEMENTS



For Fiscal Year Ended June 30, 2021

Government-Wide Financial Statements

MURRAY CITY
BASIC FINANCIAL STATEMENTS
June 30, 2021



STATEMENT OF NET POSITION

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 30,806,275	\$ 31,336,991	\$ 62,143,266
Investments	12,714,182	7,237,994	19,952,176
Accounts receivable (net of allowance)	16,305,343	7,843,539	24,148,882
Notes receivable	-	22,752	22,752
Due from other governments	5,710,963	141,993	5,852,956
Inventory	70,387	2,520,916	2,591,303
Prepaid items	788,755	3,511	792,266
Total current assets	<u>66,395,905</u>	<u>49,107,696</u>	<u>115,503,601</u>
Noncurrent assets			
Restricted cash	31,117,391	1,781,272	32,898,663
Notes receivable	-	112,799	112,799
Investments in joint ventures	-	13,458,255	13,458,255
Net pension asset	3,034,209	276,649	3,310,858
Capital assets			
Land	26,473,451	6,974,069	33,447,520
Road land - right of ways	47,500,955	-	47,500,955
Construction in progress	13,956,370	1,313,397	15,269,767
Buildings	44,946,616	6,218,221	51,164,837
Infrastructure	96,932,589	190,440,323	287,372,912
Equipment	18,177,512	23,038,309	41,215,821
Intangibles	-	3,759,027	3,759,027
Accumulated depreciation and amortization	(95,968,714)	(148,615,289)	(244,584,003)
Total noncurrent assets	<u>186,170,379</u>	<u>98,757,032</u>	<u>284,927,411</u>
Total assets	<u>252,566,284</u>	<u>147,864,728</u>	<u>400,431,012</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	-	82,214	82,214
Deferred outflows related to pensions	4,068,231	1,260,845	5,329,076
Total deferred outflows of resources	<u>4,068,231</u>	<u>1,343,059</u>	<u>5,411,290</u>
LIABILITIES			
Current liabilities			
Accounts payable	2,572,712	5,919,097	8,491,809
Accrued liabilities	2,105,939	965,641	3,071,580
Accrued interest payable	158,089	164,174	322,263
Customer deposits	577,144	1,516,123	2,093,267
Compensated absences	3,029,801	1,179,194	4,208,995
Notes payable	-	22,752	22,752
Bonds and leases payable	850,000	940,000	1,790,000
Total current liabilities	<u>9,293,685</u>	<u>10,706,981</u>	<u>20,000,666</u>
Noncurrent liabilities			
Compensated absences	539,241	231,565	770,806
Net pension liability	2,256,708	868,542	3,125,250
Notes payable	-	112,799	112,799
Bonds and leases payable	46,675,891	14,353,472	61,029,363
Total noncurrent liabilities	<u>49,471,840</u>	<u>15,566,378</u>	<u>65,038,218</u>
Total liabilities	<u>58,765,525</u>	<u>26,273,359</u>	<u>85,038,884</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	8,679,781	2,690,077	11,369,858
Deferred property taxes	15,638,280	-	15,638,280
Total deferred inflows of resources	<u>24,318,061</u>	<u>2,690,077</u>	<u>27,008,138</u>
NET POSITION			
Net investment in capital assets	133,861,274	67,916,799	201,778,073
Restricted			
Capital	3,399,952	92,992	3,492,944
Debt service	125	172,141	172,266
Other purposes	165,683	-	165,683
Unrestricted	36,123,895	52,062,419	88,186,314
Total net position	<u>\$ 173,550,929</u>	<u>\$ 120,244,351</u>	<u>\$ 293,795,280</u>

The accompanying notes are an integral part of this statement.



STATEMENT OF ACTIVITIES

	Program Revenues				Net Revenues (Expense) and Changes in Net Position								
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total						
Primary government:													
Governmental activities													
General government	\$ 8,610,499	\$ 3,199,538	\$ 4,043,142	\$ -	\$ (1,367,819)		\$ (1,367,819)						
Public safety	22,792,965	2,700,045	2,369,759	-	(17,723,161)		(17,723,161)						
Highways and public improvements	8,775,291	-	1,564,608	4,664,919	(2,545,764)		(2,545,764)						
Parks, recreation, and culture	9,083,524	1,235,829	348,359	49,447	(7,449,889)		(7,449,889)						
Debt service - interest and fiscal charges	1,266,525	-	-	-	(1,266,525)		(1,266,525)						
Total governmental activities	50,528,804	7,135,412	8,325,868	4,714,366	(30,353,158)		(30,353,158)						
Business-type activities													
Water	5,398,755	7,425,686	14,245	826,961	\$ 2,868,137		2,868,137						
Wastewater	4,961,385	5,368,603	11,130	392,946	811,294		811,294						
Power	36,985,481	36,886,233	159,735	353,421	413,908		413,908						
Murray Parkway	1,492,400	1,643,099	-	-	150,699		150,699						
Telecom	59,988	60,564	-	-	576		576						
Solid Waste	2,012,379	2,529,669	1,472	-	518,762		518,762						
Storm Water	2,241,464	2,361,862	6,279	197,948	324,625		324,625						
Total business-type activities	53,151,852	56,275,716	192,861	1,771,276	5,088,001		5,088,001						
Total primary government	\$ 103,680,656	\$ 63,411,128	\$ 8,518,729	\$ 6,485,642	(30,353,158)		5,088,001	(25,265,157)					
General Revenues:													
Taxes													
Sales				25,403,224	-		25,403,224						
Property				13,692,936	-		13,692,936						
Franchise				4,207,400	-		4,207,400						
Investment income				318,086	265,014		583,100						
Equity investment income				-	1,226,540		1,226,540						
Gain on sale and disposal of assets				48,260	77,819		126,079						
Miscellaneous				252,980	-		252,980						
Transfers - net				3,648,047	(3,648,047)		-						
Total general revenue				47,570,933	(2,078,674)		45,492,259						
Change in net position													
Net position, beginning of year				17,217,775	3,009,327		20,227,102						
Net position, end of year				156,333,154	117,235,024		273,568,178						
				\$ 173,550,929	\$ 120,244,351		\$ 293,795,280						

The accompanying notes are an integral part of this statement.



GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund

The general fund is used to account for resources traditionally associated with a government which are not required to be accounted for in another fund.

Capital Projects Fund

The capital projects fund is used to account for the construction of budgeted capital projects of the City. Intergovernmental grants, transfers from the general fund, and interest earnings are the principal sources of funding for these projects.

Redevelopment Agency (RDA) Fund

The RDA fund is used to account for the activities of the Redevelopment Agency. The Agency is an entity established to further public purpose in the redevelopment of particular City areas.

Library Fund

The Library Fund is used to account for the activities of the City's library which is supported primarily with a dedicated property tax levy.

Municipal Building Authority Fund

The MBA Fund is used to account for the activities of the Municipal Building Authority. The Authority is an entity established to finance and construct municipal buildings that are then leased to the City.

Cemetery Perpetual Care Fund (Nonmajor)

The Cemetery Perpetual Care Fund is used to account for funds which have been committed by the City Council to provide care of the cemetery on a perpetual basis. Interest income is intended to support on-going maintenance needs.



BALANCE SHEET - GOVERNMENTAL FUNDS

(Page 1 of 2)

	General Fund	Capital Projects Fund	Redevelopment Agency Fund	Library Fund
ASSETS				
Cash and cash equivalents	\$ 3,940,188	\$ 19,209,846	\$ 3,654,975	\$ 2,170,540
Investments	5,341,053	2,976,895	1,056,054	1,585,367
Accounts receivable (net of allowance)				
Property taxes	9,555,354	-	3,762,041	2,483,913
Other	486,537	17,385	-	-
Due from other governments	5,710,963	-	-	-
Prepaid items	23,627	741,059	-	24,069
Restricted cash	576,196	100,000	1,072	17,403
Total assets	\$ 25,633,918	\$ 23,045,185	\$ 8,474,142	\$ 6,281,292
LIABILITIES				
Accounts payable	\$ 886,752	\$ 541,219	\$ 29,313	\$ 47,843
Accrued liabilities	1,768,810	-	-	50,876
Deposits	576,144	-	1,000	-
Total liabilities	3,231,706	541,219	30,313	98,719
DEFERRED INFLOWS OF RESOURCES				
Deferred ambulance billing	225,198	-	-	-
Deferred property taxes	9,425,959	-	3,762,041	2,450,280
Total deferred inflows of resources	9,651,157	-	3,762,041	2,450,280
FUND BALANCE				
Nonspendable	23,627	741,059	-	41,472
Restricted	165,736	1,074,000	2,326,024	-
Committed	-	-	-	-
Assigned	-	20,688,907	2,355,764	3,690,821
Unassigned	12,561,692	-	-	-
Total fund balances	12,751,055	22,503,966	4,681,788	3,732,293
Total liabilities, deferred inflows of resources, and fund balances	\$ 25,633,918	\$ 23,045,185	\$ 8,474,142	\$ 6,281,292

The accompanying notes are an integral part of this statement.



BALANCE SHEET - GOVERNMENTAL FUNDS (continued)
(Page 2 of 2)

	Municipal Building Authority	(Nonmajor) Cemetery Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 231,505	\$ 355,743	\$ 29,562,797
Investments	-	1,061,174	12,020,543
Accounts receivable (net of allowance)			
Property taxes	-	-	15,801,308
Other	-	-	503,922
Due from other governments	-	-	5,710,963
Prepaid items	-	-	788,755
Restricted cash	30,422,720	-	31,117,391
Total assets	\$ 30,654,225	\$ 1,416,917	\$ 95,505,679
LIABILITIES			
Accounts payable	\$ 1,054,334	\$ 1,260	\$ 2,560,721
Accrued liabilities	-	-	1,819,686
Deposits	-	-	577,144
Total liabilities	1,054,334	1,260	4,957,551
DEFERRED INFLOWS OF RESOURCES			
Deferred ambulance billing	-	-	225,198
Deferred property taxes	-	-	15,638,280
Total deferred inflows of resources	-	-	15,863,478
FUND BALANCE			
Nonspendable	-	-	806,158
Restricted	29,368,386	-	32,934,146
Committed	-	1,415,657	1,415,657
Assigned	231,505	-	26,966,997
Unassigned	-	-	12,561,692
Total fund balances	29,599,891	1,415,657	74,684,650
Total liabilities, deferred inflows of resources, and fund balances	\$ 30,654,225	\$ 1,416,917	\$ 95,505,679

The accompanying notes are an integral part of this statement.



RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

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

Total fund balances for governmental funds	\$ 74,684,650
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	152,018,779
The net pension asset is not an available resource and, therefore, is not reported in the funds.	3,034,209
Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not recorded in the funds.	(158,089)
Long-term liabilities, including bonds, capital leases, compensated absences, and net pension liability are not due and payable in the current period and, therefore, are not reported in the funds.	(53,219,239)
Deferred pension inflows and outflows are not associated with the use of current financial resources and, therefore, are not reported in the funds balance sheet.	(4,515,354)
Deferred inflows of resources associated with the General Fund's ambulance billings are removed in the Statement of Net Position.	225,198
The internal service funds are used by management to charge the costs of fleet management and risk management to other funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	<u>1,480,775</u>
Net position of governmental activities	<u>\$ 173,550,929</u>

The accompanying notes are an integral part of this statement.

MURRAY CITY
BASIC FINANCIAL STATEMENTS
June 30, 2021



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**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS**

(Page 1 of 2)

	General Fund	Capital Projects Fund	Redevelopment Agency Fund	Library Fund
<u>REVENUES</u>				
Sales tax	\$ 25,403,224	\$ -	\$ -	\$ -
Property taxes	10,176,398	-	871,726	2,644,812
Franchise taxes	4,207,400	-	-	-
Licenses and permits	2,204,621	-	-	-
Intergovernmental	5,144,534	2,960,670	3,432,489	44,987
Charges for services	3,380,643	-	-	-
Fines and forfeitures	812,344	-	-	5,186
Miscellaneous	286,280	11,718	16,128	5,136
Investment income	97,168	60,965	23,441	36,415
Total revenues	51,712,612	3,033,353	4,343,784	2,736,536
<u>EXPENDITURES</u>				
General government	6,755,959	-	-	-
Public safety	22,863,233	126,120	-	-
Highways and public improvements	3,689,464	320,677	2,552,442	-
Parks, recreation, and culture	6,522,124	242,269	-	1,671,223
Capital outlay	397,003	5,778,117	-	-
Debt service:				
Principal	500,000	-	315,000	-
Interest and fiscal charges	192,163	-	250,150	-
Debt issuance costs	-	-	-	-
Pledge payment - UTOPIA debt service	1,855,373	-	-	-
Total expenditures	42,775,319	6,467,183	3,117,592	1,671,223
Excess (deficiency) of revenues over (under) expenditures	8,937,293	(3,433,830)	1,226,192	1,065,313
<u>OTHER FINANCING SOURCES (USES)</u>				
Issuance of bonds	-	-	-	-
Premium on bonds issued	-	-	-	-
Sale of capital assets	-	48,260	-	-
Transfers in	4,204,504	11,971,699	327,062	-
Transfers out	(12,282,787)	(105,360)	(467,071)	-
Total other financing sources (uses)	(8,078,283)	11,914,599	(140,009)	-
Net change of fund balance	859,010	8,480,769	1,086,183	1,065,313
Fund balance, beginning of year	11,892,045	14,023,197	3,595,605	2,666,980
Fund balance, end of year	\$ 12,751,055	\$ 22,503,966	\$ 4,681,788	\$ 3,732,293

The accompanying notes are an integral part of this statement.

MURRAY CITY
BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021



STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)
GOVERNMENTAL FUNDS

(Page 2 of 2)

	Municipal Building Authority	(Nonmajor) Cemetery Fund	Total Governmental Funds
REVENUES			
Sales tax	\$ -	\$ -	\$ 25,403,224
Property taxes	-	-	13,692,936
Franchise taxes	-	-	4,207,400
Licenses and permits	-	-	2,204,621
Intergovernmental	-	-	11,582,680
Charges for services	-	6,840	3,387,483
Fines and forfeitures	-	-	817,530
Miscellaneous	-	-	319,262
Investment income	79,149	9,851	306,989
Total revenues	<u>79,149</u>	<u>16,691</u>	<u>61,922,125</u>
EXPENDITURES			
General government	-	-	6,755,959
Public safety	-	-	22,989,353
Highways and public improvements	-	-	6,562,583
Parks, recreation, and culture	-	-	8,435,616
Capital outlay	5,735,072	-	11,910,192
Debt service:			
Principal	-	-	815,000
Interest and fiscal charges	650,552	-	1,092,865
Debt issuance costs	278,921	-	278,921
Pledge payment - UTOPIA debt service	-	-	1,855,373
Total expenditures	<u>6,664,545</u>	<u>-</u>	<u>60,695,862</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,585,396)</u>	<u>16,691</u>	<u>1,226,263</u>
OTHER FINANCING SOURCES (USES)			
Issuance of bonds	31,310,000	-	31,310,000
Premium on bonds issued	4,875,287	-	4,875,287
Sale of capital assets	-	-	48,260
Transfers in	-	-	16,503,265
Transfers out	-	-	(12,855,218)
Total other financing sources (uses)	<u>36,185,287</u>	<u>-</u>	<u>39,881,594</u>
Net change of fund balance	29,599,891	16,691	41,107,857
Fund balance, beginning of year	-	1,398,966	33,576,793
Fund balance, end of year	<u>\$ 29,599,891</u>	<u>\$ 1,415,657</u>	<u>\$ 74,684,650</u>

The accompanying notes are an integral part of this statement.



RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

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

Net change in fund balances for governmental funds	\$ 41,107,857
--	---------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are capitalized and allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay and capital contributions exceeded depreciation in the current period.

8,050,436

Revenues in the Statement of Activities are presented on the accrual basis, whereas in the fund statements it's based on when financial resources are available.

70,972

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither type of transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

(35,265,026)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.

3,403,371

Internal service funds are used by management to charge the cost of centralized services to individual funds. The net income of the internal service funds is reported with governmental activities.

(149,835)

Change in net position of governmental activities

<u>\$ 17,217,775</u>



PROPRIETARY FUND FINANCIAL STATEMENTS

Water Fund

The Water Fund is used to account for the activities of the City's water operations. This includes the maintenance and improvements needed to support the City's water delivery system.

Wastewater Fund

The Wastewater Fund is used to account for the activities of the City's sewer operations. The City is a joint venture partner in the Central Valley Water Reclamation Facility. This special district manages the City's wastewater treatment. The sewer connections and sewer lines are the responsibility of the City.

Power Fund

The Power Fund is used to account for the activities of the City's electrical power operations.

Storm Water Fund

The Storm Water Fund is used to account for the activities of the City's storm water operations. This includes the maintenance and improvements needed to support the City's storm water system.

Non-Major Funds

The Murray Parkway Fund, Telecom Fund, and Solid Waste Fund are categorized as non-major proprietary funds and are presented by fund type in the Supplementary Information section of this report.

Internal Service Funds

The Central Garage Fund and Retained Risk Fund are both classified as internal service funds for the City. Both funds 'act' like a business and are therefore reported alongside the proprietary funds; however, their main source of revenue is charges for services provided to and paid for by the other governmental and proprietary funds of the City.



STATEMENT OF NET POSITION - PROPRIETARY FUNDS
(Page 1 of 2)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Power Fund	Storm Water Fund
ASSETS				
Current assets				
Cash and cash equivalents	\$ 2,380,969	\$ 1,361,496	\$ 24,743,127	\$ 887,731
Investments	2,158,741	-	5,026,560	-
Accounts receivable (net of allowance)	1,364,683	751,717	5,169,715	227,289
Notes receivable	-	-	-	-
Interfund receivable	46,434	-	865,868	-
Due from other governments	-	-	141,993	-
Inventory	-	-	2,469,978	-
Prepaid items	-	-	2,705	-
Total current assets	<u>5,950,827</u>	<u>2,113,213</u>	<u>38,419,946</u>	<u>1,115,020</u>
Noncurrent assets				
Restricted cash	46,914	265,035	1,467,729	94
Notes receivable	-	-	-	-
Investments in joint ventures	-	10,878,821	-	-
Net pension asset	-	-	276,649	-
Capital assets				
Land	2,155,313	455,921	1,691,650	2,344,849
Construction in progress	494,213	-	753,382	50,467
Buildings	933,325	949,132	3,462,645	-
Infrastructure	48,409,255	17,618,717	77,006,843	41,258,139
Equipment	3,948,849	1,632,144	14,386,550	1,572,559
Intangibles	-	-	3,759,027	-
Accumulated depreciation and amortization	<u>(21,528,837)</u>	<u>(9,649,310)</u>	<u>(79,096,768)</u>	<u>(32,100,896)</u>
Total noncurrent assets	<u>34,459,032</u>	<u>22,150,460</u>	<u>23,707,707</u>	<u>13,125,212</u>
Total assets	<u>40,409,859</u>	<u>24,263,673</u>	<u>62,127,653</u>	<u>14,240,232</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred bond refunding loss	51,460	30,754	-	-
Deferred outflows related to pensions	217,774	100,635	751,834	89,032
Total deferred outflows of resources	<u>269,234</u>	<u>131,389</u>	<u>751,834</u>	<u>89,032</u>
LIABILITIES				
Current liabilities				
Accounts payable	125,045	303,198	5,296,396	20,692
Accrued liabilities	124,165	44,104	561,391	38,129
Interfund payable	-	-	-	-
Interest payable	74,188	36,740	-	53,246
Compensated absences	227,188	130,590	629,249	64,394
Notes payable	-	-	-	-
Bonds and leases payable	356,753	338,247	-	245,000
Customer deposits	46,894	-	1,467,729	-
Total current liabilities	<u>954,233</u>	<u>852,879</u>	<u>7,954,765</u>	<u>421,461</u>
Noncurrent liabilities				
Compensated absences	50,769	21,694	127,179	10,697
Net pension liability	151,055	69,804	515,476	61,755
Notes payable	-	-	-	-
Bonds and leases payable	8,795,672	2,052,328	-	3,505,472
Total noncurrent liabilities	<u>8,997,496</u>	<u>2,143,826</u>	<u>642,655</u>	<u>3,577,924</u>
Total liabilities	<u>9,951,729</u>	<u>2,996,705</u>	<u>8,597,420</u>	<u>3,999,385</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	464,632	214,710	1,604,077	189,953
Total deferred inflows of resources	<u>464,632</u>	<u>214,710</u>	<u>1,604,077</u>	<u>189,953</u>
NET POSITION				
Net investment in capital assets	25,311,153	8,646,783	21,963,329	9,374,646
Restricted				
Capital	-	92,992	-	-
Debt service	4	172,043	-	94
Unrestricted	4,951,575	12,271,829	30,714,661	765,186
Total net position	<u>\$ 30,262,732</u>	<u>\$ 21,183,647</u>	<u>\$ 52,677,990</u>	<u>\$ 10,139,926</u>

The accompanying notes are an integral part of this statement



STATEMENT OF NET POSITION - PROPRIETARY FUNDS (continued)
(Page 2 of 2)

	Business-type Activities - Enterprise Funds		Governmental Activities
	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 1,963,668	\$ 31,336,991	\$ 1,243,478
Investments	52,693	7,237,994	693,639
Accounts receivable (net of allowance)	330,135	7,843,539	113
Notes receivable	22,752	22,752	-
Interfund receivable	-	912,302	-
Due from other governments	-	141,993	-
Inventory	50,938	2,520,916	70,387
Prepaid items	806	3,511	-
Total current assets	2,420,992	50,019,998	2,007,617
Noncurrent assets			
Restricted cash	1,500	1,781,272	-
Notes receivable	112,799	112,799	-
Investments in joint ventures	2,579,434	13,458,255	-
Net pension asset	-	276,649	-
Capital assets			
Land	326,336	6,974,069	-
Construction in progress	15,335	1,313,397	-
Buildings	873,119	6,218,221	-
Infrastructure	6,147,369	190,440,323	-
Equipment	1,498,207	23,038,309	245,848
Intangibles	-	3,759,027	-
Accumulated depreciation and amortization	(6,239,478)	(148,615,289)	(150,768)
Total noncurrent assets	5,314,621	98,757,032	95,080
Total assets	7,735,613	148,777,030	2,102,697
DEFERRED OUTFLOWS OF RESOURCES			
Deferred bond refunding loss	-	82,214	-
Deferred outflows related to pensions	101,570	1,260,845	84,863
Total deferred outflows of resources	101,570	1,343,059	84,863
LIABILITIES			
Current liabilities			
Accounts payable	173,766	5,919,097	11,991
Accrued liabilities	197,852	965,641	286,253
Interfund payable	912,302	912,302	-
Interest payable	-	164,174	-
Compensated absences	127,773	1,179,194	63,062
Notes payable	22,752	22,752	-
Bonds and leases payable	-	940,000	-
Customer deposits	1,500	1,516,123	-
Total current liabilities	1,435,945	11,619,283	361,306
Noncurrent liabilities			
Compensated absences	21,226	231,565	10,477
Net pension liability	70,452	868,542	58,863
Notes payable	112,799	112,799	-
Bonds and leases payable	-	14,353,472	-
Total noncurrent liabilities	204,477	15,566,378	69,340
Total liabilities	1,640,422	27,185,661	430,646
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	216,705	2,690,077	181,059
Total deferred inflows of resources	216,705	2,690,077	181,059
NET POSITION			
Net investment in capital assets			
Restricted	2,620,888	67,916,799	95,080
Capital	-	92,992	-
Debt service	-	172,141	-
Unrestricted	3,359,168	52,062,419	1,480,775
Total net position	\$ 5,980,056	\$ 120,244,351	\$ 1,575,855

The accompanying notes are an integral part of this statement.



STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
(Page 1 of 2)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Power Fund	Storm Water Fund
OPERATING REVENUES				
Charges for services	\$ 7,406,777	\$ 5,353,056	\$ 33,505,326	\$ 2,356,420
Connection and servicing fees	5,816	7,150	292,060	-
Other	13,093	8,397	3,088,847	5,442
Total operating revenues	<u>7,425,686</u>	<u>5,368,603</u>	<u>36,886,233</u>	<u>2,361,862</u>
OPERATING EXPENSES				
Wages and benefits	1,913,821	975,346	6,052,815	820,713
Administrative fees	678,125	559,738	1,439,592	322,957
Operations and maintenance	1,499,334	2,754,163	26,493,575	282,838
Depreciation and amortization	1,214,796	592,139	2,999,499	693,507
Total operating expenses	<u>5,306,076</u>	<u>4,881,386</u>	<u>36,985,481</u>	<u>2,120,015</u>
Operating income (loss)	<u>2,119,610</u>	<u>487,217</u>	<u>(99,248)</u>	<u>241,847</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	36,331	-	217,976	3,262
Interest and fiscal charges	(92,679)	(79,999)	-	(121,449)
Equity in income of joint venture	-	1,009,336	-	-
Grant revenues	14,245	11,130	159,735	6,279
Gain on disposal of assets	-	77,819	-	-
Total nonoperating revenues (expenses)	<u>(42,103)</u>	<u>1,018,286</u>	<u>377,711</u>	<u>(111,908)</u>
Income (loss) before contributions and transfers	<u>2,077,507</u>	<u>1,505,503</u>	<u>278,463</u>	<u>129,939</u>
Capital contributions	826,961	392,946	353,421	197,948
Transfers in	29,916	23,179	21,125	-
Transfers out	(618,700)	(426,937)	(2,841,990)	-
Change in net position	2,315,684	1,494,691	(2,188,981)	327,887
Total net position, beginning of year	<u>27,947,048</u>	<u>19,688,956</u>	<u>54,866,971</u>	<u>9,812,039</u>
Total net position, end of year	<u>\$ 30,262,732</u>	<u>\$ 21,183,647</u>	<u>\$ 52,677,990</u>	<u>\$ 10,139,926</u>

The accompanying notes are an integral part of this statement.



STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
(Page 2 of 2)

	Business-type Activities - Enterprise Funds		Governmental Activities
	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES			
Charges for services	\$ 4,232,186	\$ 52,853,765	\$ 1,854,264
Connection and servicing fees	-	305,026	-
Other	1,146	3,116,925	232,310
Total operating revenues	<u>4,233,332</u>	<u>56,275,716</u>	<u>2,086,574</u>
OPERATING EXPENSES			
Wages and benefits	1,062,191	10,824,886	776,913
Administrative fees	271,815	3,272,227	-
Operations and maintenance	1,979,356	33,009,266	1,460,356
Depreciation and amortization	230,270	5,730,211	18,360
Total operating expenses	<u>3,543,632</u>	<u>52,836,590</u>	<u>2,255,629</u>
Operating income (loss)	<u>689,700</u>	<u>3,439,126</u>	<u>(169,055)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	7,445	265,014	11,097
Interest and fiscal charges	(21,135)	(315,262)	-
Equity in income of joint venture	217,204	1,226,540	-
Grant revenues	1,472	192,861	8,123
Gain on disposal of assets	-	77,819	-
Total nonoperating revenues (expenses)	<u>204,986</u>	<u>1,446,972</u>	<u>19,220</u>
Income (loss) before contributions and transfers	<u>894,686</u>	<u>4,886,098</u>	<u>(149,835)</u>
Capital contributions	-	1,771,276	-
Transfers in	165,360	239,580	-
Transfers out	-	(3,887,627)	-
Change in net position	1,060,046	3,009,327	(149,835)
Total net position, beginning of year	<u>4,920,010</u>	<u>117,235,024</u>	<u>1,725,690</u>
Total net position, end of year	<u>\$ 5,980,056</u>	<u>\$ 120,244,351</u>	<u>\$ 1,575,855</u>

The accompanying notes are an integral part of this statement.



STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
(Page 1 of 2)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Power Fund	Storm Water Fund
Cash flows from operating activities				
Receipts from customers and users	\$ 7,532,225	\$ 5,299,952	\$ 37,119,272	\$ 2,374,921
Payments to suppliers of goods and services	(3,638,297)	(2,661,733)	(24,249,332)	(337,184)
Payments to employees for services	(1,975,022)	(970,714)	(6,618,434)	(847,883)
Payment for interfund services	(678,125)	(559,738)	(1,439,592)	(322,957)
Net cash provided (used) by operating activities	<u>1,240,781</u>	<u>1,107,767</u>	<u>4,811,914</u>	<u>866,897</u>
Cash flows from noncapital financing activities				
Transfers from other funds	29,916	23,179	21,125	-
Transfers to other funds	(618,700)	(426,937)	(2,841,990)	-
County, state and federal grants	14,245	11,130	159,735	6,279
Changes to interfund receivables and payables	45,523	-	98,904	-
Net cash provided (used) by noncapital financing activities	<u>(529,016)</u>	<u>(392,628)</u>	<u>(2,562,226)</u>	<u>6,279</u>
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	85,000	-	-
Purchases of capital assets	(3,131,614)	(304,593)	(577,453)	(150,193)
Impact fees	385,049	178,348	292,471	5,307
Proceeds from issuance of debt	-	-	-	-
Principal paid on debt	(347,366)	(329,634)	-	(252,986)
Interest and fiscal charges paid on capital debt	(76,205)	(73,738)	-	(124,407)
Net cash used by capital and related financing activities	<u>(3,170,136)</u>	<u>(444,617)</u>	<u>(284,982)</u>	<u>(522,279)</u>
Cash flows from investing activities				
Sale (purchase) of investments	(16,566)	1,059,331	(38,573)	-
Investment income	36,331	-	217,976	3,262
Capital acquisitions in joint venture	-	(390,653)	-	-
Net cash provided by investing activities	<u>19,765</u>	<u>668,678</u>	<u>179,403</u>	<u>3,262</u>
Net increase (decrease) in cash and cash equivalents	<u>(2,438,606)</u>	<u>939,200</u>	<u>2,144,109</u>	<u>354,159</u>
Cash and cash equivalents - beginning of year	<u>4,866,489</u>	<u>687,331</u>	<u>24,066,747</u>	<u>533,666</u>
Cash and cash equivalents - end of year	<u>\$ 2,427,883</u>	<u>\$ 1,626,531</u>	<u>\$ 26,210,856</u>	<u>\$ 887,825</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 2,119,610	\$ 487,217	\$ (99,248)	\$ 241,847
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	1,214,796	592,139	2,999,499	693,507
(Increase) decrease in receivables	108,026	(61,098)	107,354	13,118
(Increase) decrease in inventory and prepaid items	-	-	103,863	-
Increase (decrease) in liabilities	(2,201,651)	89,509	1,700,446	(81,575)
Net cash provided (used) by operating activities	<u>\$ 1,240,781</u>	<u>\$ 1,107,767</u>	<u>\$ 4,811,914</u>	<u>\$ 866,897</u>
Noncash investing, capital and financing activities				
Capital contributions, developers	\$ 441,912	\$ 214,598	\$ 60,950	\$ 192,641
Equity investment adjustment for net income	-	1,009,336	-	-

The accompanying notes are an integral part of this statement.



STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
(Page 2 of 2)

	Business-type Activities - Enterprise Funds		Governmental Activities	
	NonMajor Enterprise Funds	Total	Internal Service Funds	
Cash flows from operating activities				
Receipts from customers and users	\$ 4,173,605	\$ 56,499,975	\$ 2,088,028	
Payments to suppliers of goods and services	(1,956,194)	(32,842,740)	(1,483,719)	
Payments to employees for services	(1,077,250)	(11,489,303)	(785,434)	
Payment for interfund services	(271,815)	(3,272,227)	-	
Net cash provided (used) by operating activities	<u>868,346</u>	<u>8,895,705</u>	<u>(181,125)</u>	
Cash flows from noncapital financing activities				
Transfers from other funds	165,360	239,580	-	
Transfers to other funds	-	(3,887,627)	-	
	1,472	192,861	8,123	
Changes to interfund receivables and payables	(144,427)	-	-	
Net cash provided (used) by noncapital financing activities	<u>22,405</u>	<u>(3,455,186)</u>	<u>8,123</u>	
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	85,000	-	
Purchases of capital assets	(89,915)	(4,253,768)	(18,533)	
Impact fees	-	861,175	-	
Proceeds from issuance of debt	-	-	-	
Principal paid on debt	-	(929,986)	-	
Interest and fiscal charges paid on capital debt	(21,135)	(295,485)	-	
Net cash used by capital and related financing activities	<u>(111,050)</u>	<u>(4,533,064)</u>	<u>(18,533)</u>	
Cash flows from investing activities				
Sale (purchase) of investments	(405)	1,003,787	(5,323)	
Investment income	7,445	265,014	11,097	
Capital acquisitions in joint venture	-	(390,653)	-	
Net cash provided by investing activities	<u>7,040</u>	<u>878,148</u>	<u>5,774</u>	
Net increase (decrease) in cash and cash equivalents	786,741	1,785,603	(185,761)	
Cash and cash equivalents - beginning of year	1,178,427	31,332,660	1,429,239	
Cash and cash equivalents - end of year	<u>\$ 1,965,168</u>	<u>\$ 33,118,263</u>	<u>\$ 1,243,478</u>	
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 689,700	\$ 3,439,126	\$ (169,055)	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	230,270	5,730,211	18,360	
(Increase) decrease in receivables	(59,582)	107,818	15,524	
(Increase) decrease in inventory and prepaid items	6,541	110,404	(5,398)	
Increase (decrease) in liabilities	1,417	(491,854)	(40,556)	
Net cash provided (used) by operating activities	<u>\$ 868,346</u>	<u>\$ 8,895,705</u>	<u>\$ (181,125)</u>	
Noncash investing, capital and financing activities				
Capital contributions, developers	\$ -	\$ 910,101	\$ -	
Equity investment adjustment for net income	217,204	1,226,540	-	

The accompanying notes are an integral part of this statement.

MURRAY CITY
BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021



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Notes to the Financial Statements



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Murray City (the City) are prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles for governmental entities. The more significant accounting policies established in U.S. GAAP and used by the City are discussed below.

A. Reporting Entity

Murray City was incorporated January 3, 1903, under laws of the state of Utah. The City operates under a Council-Mayor form of municipal government.

The Council-Mayor form of municipal government was created by the Laws of Utah 1977, Chapter 48. This form of government may not be adopted by a city or town without voter approval. This form has two separate, independent, and equal branches of municipal government consisting of a legislative branch and an executive branch.

The Council is a five-member body of elected officials which act as the legislative branch authority for the City. The Council elects one of its members to be the chair. The Council enacts laws, appropriates funds, and reviews municipal administration. In addition, the Council determines (by ordinance or resolution) the broad policy for the City as well as some specific policies such as the manner in which municipal property is bought, sold, traded, encumbered, or otherwise transferred; and a subdivision or annexation is approved, disapproved, or otherwise regulated.

The Mayor is the chief executive and administrative officer. He or she exercises the executive and administrative powers and performance of the City. The Mayor has the responsibility to execute the policies adopted by the Council. With the Council's advice and consent, the Mayor appoints qualified persons to the City's officers and positions. While not a member of the Council, the Mayor may attend each Council meeting, take part in council meeting discussions, and freely give advice to the Council.

The City is considered a full-service municipality and provides the following services: public safety, judicial services, highways and streets, sanitation, parks, recreation, water, power, planning and zoning, and general administrative services.

The Annual Comprehensive Financial Report of the City includes the financial statements for all activities of the City based upon the criteria set forth in GASB Statement No. 61. This Statement requires the City to include in this report the activities of any other entity which is determined to be a component unit of the City. The primary criterion which determines this nexus is financial accountability.

The City is financially accountable if the City appoints a voting majority of that organization's board or there is a potential to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City).

Blended component units, although legally separate entities, are in substance, part of the government's operations, and so data from these units are combined with data of the primary government.

Discretely presented component units, if any, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the City. As of June 30, 2021, there are none.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

Blended Component Units

The Redevelopment Agency of Murray City (RDA) was established in 1976 to prepare and carry out plans to improve, rehabilitate, and redevelop blighted areas within the City. The RDA is governed by the executive director who is the City Mayor and a board of trustees composed by members of the Municipal Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.

The Municipal Building Authority of Murray City (MBA) was established to finance and construct municipal buildings that are then leased to the City. The MBA is governed by a five-member board of trustees composed of the Municipal Council. Although it is a legally separate entity from the City, the MBA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the MBA. In fiscal year 2020, the MBA was activated in anticipation of the new City Hall construction. Separate financial statements are not issued for the MBA.

Investment in Joint Venture

The City is a partner with neighboring cities in two (2) joint ventures. The first is known as Trans-Jordan Cities, and the purpose is to provide solid waste management and disposal services. The second joint venture is known as Central Valley Water Conservancy District, and the purpose is to provide wastewater treatment. Investment in both of these joint ventures is accounted for using the equity method.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the City's activities and its component units. As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are payments for services where the amounts are reasonably equivalent in value to the interfund services provided. The elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely mainly on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

The City reports the following major governmental funds:

The *General Fund* is the general operating fund of the City. It is used to account for all financial resources, except for those required to be accounted for in another fund.

The *Capital Projects Fund* accounts for the financial resources to be used for the acquisition or construction of major capital facilities and other capital assets, other than those financed by the proprietary funds.

The *Redevelopment Agency Fund* is considered a blended component unit of the City and is reported as a special revenue fund which accounts for the activities of the agency. The agency is an entity established to further public purpose in the redevelopment of the Central Business District, East Vine, Cherry Street, Fireclay, Smelter Site, and Ore Mill redevelopment project areas. The major source of revenue for this fund is tax increment.

The *Municipal Building Authority Fund* is considered a blended component unit of the City and is reported as a special revenue fund which accounts for leased revenue proceeds for building construction and long-term debt payment remittance on related debt.

The *Library Fund* accounts for the financial resources to be used for the operation and maintenance of the City's library.

The City reports the following major proprietary funds:

The *Water Fund* accounts for the activities of the City's water treatment and distribution operations.

The *Wastewater Fund* accounts for the operation and maintenance of the City's wastewater collection system and sewage treatment.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The *Power Fund* accounts for the activities of the City's electrical production and distribution operations.

The *Storm Water Fund* accounts for the activities of the City's storm water drainage system.

Additionally, the City reports the following fund types:

Special Revenue Funds are used to account for proceeds of specific revenue sources (other than sources for major capital projects) that are restricted or committed to expenditures for specified purposes.

Internal Service Funds are used to account for goods or services provided to other funds on a cost-reimbursement basis.

The effects of interfund activity have been eliminated from the government-wide financial statements, except for payments between funds that involve administrative and billing services. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash, Cash Equivalents, and Investments

Cash and cash equivalents are generally considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the purchase date. The City's investment in the Utah Public Treasurers' Investment Fund (PTIF) is classified as a cash equivalent due to the short, average maturities of less than 90 days.

Investments are recorded at fair value in accordance with GASB Statement No. 72, Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to or due from other funds". Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". Unbilled sales receivables for June 30, 2021 were estimated based on meter read dates and period of coverage for the actual billings for each applicable billing cycle that occurred subsequent to year-end.

Receivables on the financial statements are shown net of allowance for uncollectible accounts. The allowance adjustment is estimated annually based on historical trends and professional judgment.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Inventories and Prepaid Items

Inventories of materials and supplies in the proprietary funds, consisting principally of materials used in the repair of the transmission, distribution, collection, and treatment systems are valued at cost and accounted for on the first in, first out method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Inventory and prepaid items are accounted for under the consumption method.

Restricted Cash

Restricted cash is comprised of cash restricted for future debt service payments, impact fees, unexpended portions of bonds issued for capital construction, or by other independent third parties, enabling legislation, or other laws and statutes.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Land. Acquisition cost (or fair market value), that ready land for use. The costs associated with improvements to land (site preparation and improvements other than buildings) are added to the cost of the land. All acquisitions of land are capitalized. Land is an inexhaustible asset and does not depreciate over time.

Buildings. A structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable. This class also includes all building improvements. This class of assets has a purchase cost or cost of construction of \$12,000 or greater.

Infrastructure. Long-lived capital assets that are normally stationary in nature and can be preserved for a significantly greater number of years than most other capital assets. These assets are often linear, continuous, or part of a system (power system, water system, wastewater system, storm water system, parks system, sidewalk system, road system). This class also includes all improvements that add value to land, but do not have an indefinite useful life. This class of assets has a purchase cost or cost of construction of \$12,000 or greater.

Machinery and equipment. Items in this class are vehicles, information technology, and similar moveable items. This class of assets has a purchase cost of \$5,000 or greater.

Construction in progress. Costs incurred to construct or develop a tangible or intangible capital asset before it is substantially ready to be placed into service (at which time the asset would be reclassified into the appropriate major class).

Buildings, infrastructure, machinery and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	10 to 30 years
Infrastructure	25 to 50 years
Machinery and equipment	3 to 15 years



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Deferred Outflows/Inflows of Resources

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

Items that qualify for reporting in the government-wide Statement of Net Position in this category are the resource related to pensions and losses related to bond refundings.

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

The City has one item, *deferred revenue*, which qualifies for reporting in this category on both the government-wide Statement of Net Position and governmental funds Balance Sheet. Both statements report unavailable revenue due to property taxes, while the governmental funds Balance Sheet also reports unavailable revenue due to ambulance billing. In addition, the Statement of Net Position reports *resources related to pensions*, which relates to the differences between expected and actual experience along with changes in assumptions for the City's pensions. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

Customer Deposits

Enterprise fund customer deposits are required by the City for residential renters and any business receiving a utility connection. The deposit is refundable after 2 years for residential and business customers upon satisfactory payment history.

Compensated Absences

For governmental funds, the amount of accumulated vacation leave, sick pay, and comp time not expected to be liquidated with available financial resources is reported as a liability in the government-wide Statement of Net Position and as expense in the government-wide Statement of Activities. No expenditure is reported for this amount in the fund financial statements. Accumulated vacation leave, sick pay and comp time of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements.

Sick pay amounts are charged as expenditures when incurred. Employees may accumulate sick leave without limitation. Upon retirement, a percentage of accumulated sick leave is paid to employees based upon the number of years worked. Historically, compensated absences are paid by the individual funds as they become due, for governmental funds, most of the costs are paid by the General Fund.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Property Taxes

In Utah, a municipality is authorized by state statute to levy a tax against all real and personal property located within its boundaries. The Council holds this authorization for Murray City, and must set a tax rate by June 22nd each year. The County Treasurer, acting as a tax collector, must settle and disburse all tax collections to all taxing entities on a routine basis.

In Utah, county governments assess, levy, collect and disburse two principal types of tax: (1) personal property tax which is assessed on business assets other than real estate, and (2) tax on real estate and improvements. Business personal property and real estate taxes attach as an enforceable lien on property as of January 1st. Taxes are levied on all business personal property on January 1st, and real estate and improvement taxes are levied on January 1st and are payable by November 30th.

The real property taxes that are due in November are reported as a receivable from property taxes on the financial statements. Because these taxes are not considered available to liquidate liabilities of the current period, they are offset by a deferred inflow.

Pensions

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

Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are amortized over the life of the applicable debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, when incurred. The face amount of debt issued is reported as other financing sources. While discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expense or expenditure in the period incurred.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Fund Balance and Net Position

The City implemented GASB Statement 54, *Fund Balance Reporting in Governmental Fund Types Definitions*, in fiscal year 2011. The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the City is bound to honor them. The City first determines and reports nonspendable balances, then restricted, then committed, and so forth. Fund balance classifications are summarized as follows:

Nonspendable. This category includes fund balance amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories, prepaid expenditures, long-term receivables, and endowments are classified as nonspendable.

Restricted. This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts include debt service, impact fees, unspent capital lease proceeds, grant revenue, police forfeiture money, and liquor allotment from the State of Utah.

Committed. This category includes amounts that can only be used for specific purposes established by formal action of the City Council. Fund balance commitments can only be removed or changed by the same type of action (for example, resolution) of the City Council. The City Council has committed the entire fund balance of the Cemetery Perpetual Care Fund for the care and maintenance of the cemetery.

Assigned. This fund balance classification includes amounts that are constrained by the City's intent to use the funds for specific purposes, but are neither restricted nor committed, as established by the Finance Director/Budget Officer. This requires the Mayor to propose the resources to be set aside and Council to ratify this action subsequent to the end of the fiscal period. Also included are all remaining amounts that are reported in governmental funds, other than the general fund, that are not classified as nonspendable, restricted, or committed which are intended for specific purposes.

Unassigned. This category consists of all other resources that are not required to be reported in one of the other four fund balance categories. This category is only used in the general fund. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned, it may be necessary to report a negative unassigned fund balance in that fund.

The City currently has multiple general fund assignments as detailed on the next page.

Net position is classified in the government-wide and proprietary financial statements in three components:

Net investment in capital assets consists of capital assets, net of accumulated depreciation, and is also reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Any unspent debt proceeds and deferred bond refunding losses are added back.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Fund Balance and Net Position (continued)

Restricted net position consists of constraints placed on the use of resources by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) laws through constitutional provisions or enabling legislation.

Unrestricted net position consists of all other net position that does not meet the two definitions above.

The City adopted into ordinance these fund balance definitions and policies on November 19, 2013.

The City does not have a formal minimum fund balance policy. The City adheres to Utah Code §10-6-116(4) which requires a minimum fund balance of 5 percent of total revenues to be maintained in the General Fund.

When an expenditure is incurred for which amounts from both restricted and unrestricted resources could be used, it is the City's policy to use restricted resources first before using unrestricted resources. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, then assigned, and finally unassigned.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted net position is applied.

The General Fund is the only fund that reports a positive unassigned fund balance amount; however, in other governmental funds, it is not appropriate to report a positive unassigned fund balance amount.

In governmental funds, other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Use of Estimates

Presenting financial statements in conformity with U.S. GAAP requires management to make certain estimates concerning assets, liabilities, revenue, and expenses. Actual results may vary from these estimates.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budget Process

Annual budgets are prepared and adopted in accordance with the Uniform Fiscal Procedures Act adopted by the state of Utah. Once a budget has been adopted, it remains in effect until it has been formally revised. Furthermore, in accordance with state law, all appropriations lapse at the end of the budget year. If any obligations are contracted for and are in excess of the adopted budget, they are not a valid or enforceable claim against the City. Budgets are adopted on a basis consistent with U.S. GAAP, and all funds have legally adopted budgets.

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to or on the first council meeting in May, the Mayor submits to the Municipal Council a proposed operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the proposed sources of revenues.
2. Between the first council meeting in May and June 20th, the Municipal Council reviews and adjusts the Mayor's proposed budget. On or before June 20th, a public hearing is held and the budget is legally adopted through passage of a resolution.
3. After the budget is adopted, the Finance Director may transfer any unencumbered or unexpended appropriation amount from one expenditure account to another within a department. The Municipal Council may, by resolution, transfer any unencumbered or unexpended appropriation amount from one department in a fund to another department within the same fund. Other budget openings occur throughout the year as deemed necessary with council approval following a public hearing.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Projects Fund. In the General Fund, budgets are adopted at the functional level and budgetary control is exercised at the departmental level. For Special Revenue Funds, budgets are adopted and control is exercised at the level of total expenditures for each individual fund.
5. Annual budgets for the General Fund, Capital Projects Fund, and all special revenue funds (Library Fund, Redevelopment Agency Fund, and Cemetery Care Fund) were prepared on the modified-accrual method of accounting and legally adopted by the Municipal Council.
6. Encumbrances (commitments related to unpaid purchase orders or contracts for goods or services) are used only as an internal management control device during the year. All outstanding encumbrances lapse at year end. However, some encumbered amounts are re-authorized and honored as part of the following year's budget.
7. Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of actual versus budget for governmental funds.



NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund Balance Sheet includes a reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide Statement of Net Position.

This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheets.

Capital-related items. When capital assets that are to be used in governmental activities are purchased or constructed, the costs of these assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the City.

Cost of capital assets	\$ 247,987,493
Accumulated depreciation	(95,968,714)
Total difference	\$ 152,018,779

Long-term debt transactions. Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund statements. All liabilities (both current and long-term) are reported in the Statement of Net Position.

Net pension liability	\$ (2,197,845)
Bonds payable	(42,160,000)
Compensated absences	(3,495,503)
Bond premium	(5,365,891)
Total difference	\$ (53,219,239)

Deferred Inflows and Outflows Related to Pensions. Deferred inflows and outflows related to the City's net pension asset and net pension liability represent acquisition and consumption of net position that are not applicable in the current period, and therefore not reported in the governmental funds Balance Sheet. However, these deferred inflows and outflows are reported in the Statement of Net Position.

Deferred inflows related to pensions	\$ (8,498,722)
Deferred outflows related to pensions	3,983,368
Total difference	\$ (4,515,354)

Internal service funds. Internal service funds are used by management to charge the costs of fleet management and risk management to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.

Ending net position of the Central Garage Fund	\$ 234,900
Ending net position of the Retained Risk Fund	1,340,955
Net investment in capital assets, Central Garage Fund	(95,080)
Total difference	\$ 1,480,775



NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

Capital assets. The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities.

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Below is the amount by which capital outlays and capital contributions exceeded depreciation in the current period.

In the Statement of Activities, only the *gain* or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.

Capital outlay	\$ 11,910,192
Depreciation expense	(5,295,516)
Developer contributions	1,435,760
Total difference	\$ 8,050,436

Long-term debt. The issuance of long-term debt provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issued or incurred:	
Lease revenue bonds	\$ (31,310,000)
Bond Premium	(4,875,287)
Principal payments:	
Sales tax revenue bonds	815,000
Interest expense	(99,631)
Bond premium amortization	204,892
Total difference	\$ (35,265,026)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	\$ 115,433
Net pension asset	1,661,044
Net pension liability	5,504,594
Deferred pension inflows	(3,821,768)
Deferred pension outflows	(55,932)
Total difference	\$ 3,403,371



NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Net Activities (continued)

The net revenue of certain activities of the internal service funds are reported with governmental activities.

<i>Change in net position</i> from the Central Garage Fund	\$ 10,322
<i>Change in net position</i> from the Retained Risk Fund	(160,157)
Total difference	<u>\$ (149,835)</u>

NOTE 3 - PROPERTY TAXES

The Salt Lake County Treasurer acts as an agent for the City and collects and distributes the City's property tax revenue. Utah state laws establish the process by which taxes are levied and collected. The property tax calendar is as follows:

1. By June 8, the City receives valuation, certified tax rate, and levy worksheet forms via the state of Utah's certified tax rate website (www.taxrates.utah.gov).
2. Before June 22, the City holds a public hearing and adopts a proposed tax rate. This proposed tax rate is then submitted to the County Auditor for review via the website.
3. Before July 22 (if the City proposes a tax rate higher than the certified tax rate), the County Auditor mails a notice of intent to exceed the certified tax rate to property owners. This notice is normally combined with the tax notice.
4. By August 17, the City holds a public hearing and adopts the final tax rate and certifies the tax rate with the County Auditor.
5. Between August 8 and August 22, taxpayers may petition the County Board of Equalization for an adjustment in the taxable value of the real property.
6. By November 1, the County Auditor approves changes in taxable value of the real property and the County Treasurer mails tax notices with a due date of November 30. Payments made after November 30 are considered delinquent and are subject to a penalty.
7. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the real property, and the amount of taxes and penalties bear interest from January 1 until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale.

For property taxes, at January 1 of each year (the assessment date), the City has the legal right to collect the taxes and has recorded a receivable and a corresponding deferred inflow of resources for the assessed amount of those property taxes as of January 1, 2021. Most of the tax will not be received until the following fiscal year.



NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Detailed cash, cash equivalent, and investment accounting records are maintained for each individual fund. However, to provide the maximum amount of interest earnings on all funds of the City, all cash is pooled for deposit and investment purposes.

The City follows the requirements of the Utah Money Management Act (Utah Code, Section 51, Chapter 7) in handling its depository and temporary investment transactions. This law requires the depositing of City funds in a “qualified depository.” The Act defines a “qualified depository” 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 as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements, which an institution must maintain to be eligible to accept public funds. The Utah Money Management Act also defines the types of securities allowed as appropriate temporary investments for the City and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

A. Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City’s deposits may not be recovered. The City’s deposits are insured up to \$250,000 per bank by the Federal Deposit Insurance Corporation (FDIC). Deposits above \$250,000 per bank are exposed to credit risk.

As of June 30, 2021, the City’s bank balance deposit carrying value was \$33,196,053. Of this amount, \$32,834,831 was subject to custodial credit risk because it is uninsured. In addition, of the City’s investments in the Utah Public Treasurers’ Investment Fund (PTIF) of \$61,863,264, the City has no custodial credit risk exposure as the PTIF is an external investment pool managed by the Utah State Treasurer and is not categorized as to custodial credit risk. City has no formal policy regarding custodial credit risk.

A summary of restricted and unrestricted cash, cash equivalents, and investments at June 30, 2021 is as follows:

Restricted	\$ 32,898,663
Unrestricted	82,095,442
Total	<u>\$ 114,994,105</u>
Cash	\$ 33,178,665
Cash equivalents and investments	81,815,440
Total	<u>\$ 114,994,105</u>



NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

B. 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 Act). The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, one of which must be Moody's investor Service or Standard & Poor's; bankers acceptances; obligations of the U.S. treasury and U.S. government sponsored enterprise; bonds and notes of political subdivision of the state of Utah; fixed rate corporate obligations and variable rated securities rated "A" or higher by two nationally recognized statistical rating services as defined in the Act.

The City is authorized to invest in the PTIF, an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. 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 the participants on an amortized cost basis. The interest income, gains and losses, net of administration fees of the PTIF are allocated based upon the participants' average daily balances.

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the Utah Money Management Act. The Act details authorized investments which are high-grade securities and, therefore, subject to very little credit risk except in the most unusual and unforeseen circumstances. Securities rated less than "A" met the investment criteria at the time of purchase or are covered by FDIC (CDs). The quality ratings for the City's investments are noted in section F below.

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by adhering to the Money Management Act. The Act requires that the remaining term to maturity of the investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days and fixed rate negotiable deposits and corporate obligations to 365 days or less. Maturities of the City's investments are noted in section F below.

D. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a City's investment in a single issuer. The City's policy to limit this risk is to adhere to the rules of the Money Management Council. The Council's rule 17 limits investments in a single issuer of commercial paper and corporate obligations to between 5 and 10 percent depending on the total dollar amount held in the City's portfolio at the time of purchase. The City's investment in the PTIF has no concentration of credit risk as the PTIF is an external investment pool managed by the Utah State Treasurer.



NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

D. Concentration of Credit Risk (continued)

The City currently has no investments at fair value which have a concentration of credit risk in excess of 5% of the City's investment portfolio. None of the investments reach the maximum 10% concentration level, therefore the City complies with the limitations of the Act.

The total fair value of the City's investment portfolio (excluding funds in the PTIF) at fiscal year-end is \$19,952,176.

E. Investments

The City's investments are governed by state statutes. The following investment options have been approved for City funds:

1. Negotiable or nonnegotiable deposits of qualified depositories; negotiable certificates of deposit and reciprocal deposits subject to rules of the State Money Management Council.
2. Repurchase agreements with qualified depositories or primary reporting dealers, acting as principal for securities of the United States Treasury or other authorized investments, only if these securities are delivered to the custody of the City Treasurer or the City's safekeeping bank or are conducted with a qualified depository;
3. Commercial paper classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Service or Standard & Poor's;
4. Bankers' acceptances that are eligible for discount at a federal reserve bank and which have a remaining term to maturity of 270 days or less;
5. Negotiable interest-bearing deposits of \$100,000 or more which have a remaining term to maturity of 365 days or less;
6. Obligations of the United States Treasury including United States Treasury Bills, United States Treasury Notes, and United States Treasury Bonds;
7. Obligations issued or fully guaranteed as to principal and interest by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer: Federal Home Loan Banks, Federal Farm Credit Banks, Federal National Mortgage Association, Federal Agricultural Mortgage Corporation, Federal Home Loan Mortgage Corporation, Tennessee Valley Authority, or Student Loan Marketing Association;
8. Utah State Treasurer's Investment Fund; and
9. Fixed and variable rate corporate obligations that meet criteria under the Utah Money Management Act.



NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

E. Investments (continued)

The City invests in the Public Treasurer's Investment Fund (PTIF), which is an external investment pool administered by the Utah State Treasurer. The PTIF is available for investment of funds administered by any Utah public treasurer. There is no required participation and no minimum balance or minimum/maximum transaction requirements. The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Utah Money Management Act. The Act establishes the Money Management Council, which oversees the activities of the State Treasurer and the PTIF. Deposits in the PTIF are not insured or otherwise guaranteed by the state of Utah and participants share proportionally in any realized gains or losses on investments.

The PTIF allocates income and issues statements on a monthly basis. The PTIF operates and reports to participants on an amortized cost basis. The participant's balance is their investment deposited in the PTIF plus their share of income, gains, and losses net of administration fees, which is allocated to each participant on the ratio of each participant's share to the total funds. The participant's monthly investment amount is based upon their average daily balance.

F. Fair Value of Investments

The City measures and records its investments using the fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices. The prices for these financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals; and,
- Level 3: Unobservable inputs.

Twice a year, at June 30 and December 31, the investments are valued at fair value. As of June 30, 2021, the City's fair value investments in the PTIF were \$207,389 more than the amortized cost of \$61,863,264. The City's investments have not been adjusted to show this increase in value since they are classified as cash equivalents in the fund and entity-wide statements.

The City also invests with Moreton Financial Advisors (Moreton). Moreton invests in money market funds and short and intermediate-term fixed income securities (including taxable, tax-exempt, or tax advantaged). Moreton meets the requirements of the Utah Money Management Act.

For the year ended June 30, 2021, the City's fair value investments in Moreton were \$204,689 more than the amortized cost of \$19,747,487 and were reported at \$19,952,176.



NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

F. Fair Value of Investments (continued)

The following are the City's recurring fair value measurements as of June 30, 2021:

	Fair Value Using			
	Level 1		Level 2	Level 3
	\$		\$	\$
Money Market	\$ 38,739	\$ 38,739	\$ -	\$ -
Utah Public Treasurer's Investment Fund	61,863,264	-	61,863,264	-
U.S. Gov't or U.S. Agencies	8,095,396	855,776	7,239,620	-
Commercial Paper	324,623	-	324,623	-
Corporate Notes	11,493,418	-	11,493,418	-
Total investments	\$ 81,815,440	\$ 894,515	\$ 80,920,925	\$ -

The following are the City's investment maturities as of June 30, 2021:

	Investment Maturities (in years)	
	Less than 1	1-5
Money Market	\$ 38,739	\$ -
Utah Public Treasurer's Investment Fund	61,863,264	-
U.S. Gov't or U.S. Agencies	1,901,434	6,193,962
Commercial Paper	-	324,623
Corporate Notes	2,568,574	8,924,844
Total investments	\$ 66,372,011	\$ 15,443,429

The following are the City's investment quality ratings as of June 30, 2021:

	Quality Ratings					
	6/30/21	AAA	AA	A	BBB+	Unrated
\$	\$	\$	\$	\$	\$	\$
Money Market and Cash	\$ 38,739	\$ 38,739	\$ -	\$ -	\$ -	\$ -
Utah Public Treasurer's Investment Fund	61,863,264	-	-	-	-	61,863,264
U.S. Gov't or U.S. Agencies	8,095,396	855,776	1,484,191	2,257,032	704,431	2,793,966
Commercial Paper	324,623	-	-	324,623	-	-
Corporate Notes	11,493,418	-	1,797,125	9,191,897	-	504,396
Total investments	\$ 81,815,440	\$ 894,515	\$ 3,281,316	\$ 11,773,552	\$ 704,431	\$ 65,161,626



NOTE 5 – RECEIVABLES

Receivables as of year-end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Accounts Receivable	Property Tax	Inter-Governmental	Gross Receivables	Less: Allowance for Uncollectable Accounts	Total Receivables, Net
General Fund	\$ 1,126,361	\$ 9,555,354	\$ 5,710,963	\$ 16,392,678	\$ (639,824)	\$ 15,752,854
Capital Projects	17,385	-	-	17,385	-	17,385
Redevelopment Agency	-	3,762,041	-	3,762,041	-	3,762,041
Library	-	2,483,913	-	2,483,913	-	2,483,913
Water	1,375,385	-	-	1,375,385	(10,702)	1,364,683
Wastewater	757,460	-	-	757,460	(5,743)	751,717
Power	5,385,399	-	-	5,385,399	(73,691)	5,311,708
Storm Water	229,336	-	-	229,336	(2,047)	227,289
Non-major	355,577	-	-	355,577	(2,577)	353,000
	<u>\$ 9,246,903</u>	<u>\$ 15,801,308</u>	<u>\$ 5,710,963</u>	<u>\$ 30,759,174</u>	<u>\$ (734,584)</u>	<u>\$ 30,024,590</u>

NOTE 6 – INTERFUND TRANSFERS

	Transfers In							NonMajor Proprietary	Total
	General Fund	Capital Projects	Redevelopment	Water	Wastewater	Power			
Transfers Out:									
General	\$ -	\$ 11,895,725	\$ 327,062	\$ -	\$ -	\$ -	\$ 60,000	\$ 12,282,787	
Capital Projects	-	-	-	-	-	-	-	105,360	105,360
Redevelopment	316,877	75,974	-	29,916	23,179	21,125	-	-	467,071
Water	618,700	-	-	-	-	-	-	-	618,700
Wastewater	426,937	-	-	-	-	-	-	-	426,937
Power	2,841,990	-	-	-	-	-	-	-	2,841,990
	<u>\$ 4,204,504</u>	<u>\$ 11,971,699</u>	<u>\$ 327,062</u>	<u>\$ 29,916</u>	<u>\$ 23,179</u>	<u>\$ 21,125</u>	<u>\$ 165,360</u>	<u>\$ 16,742,845</u>	

The City transferred monies between funds to support related capital expenditures in the capital projects fund and related debt service payments.

NOTE 7 – INTERFUND RECEIVABLES AND PAYABLE

During fiscal year 2017, Murray Parkway acquired the following two (2) notes:

Ordinance 16-32 approved on September 12, 2016. A note from the Power Fund in the amount of \$1,250,000 to replace the irrigation system at the golf course (Ordinance 16-32). This note will be repaid in 12 annual installment payments payable on July 31 each year. Annual principal and interest payments will occur through July 31, 2028. The note carries an interest rate of 2.0 percent.

Ordinance 16-26 approved on July 22, 2016. A note from the Water Fund in the amount of \$223,241 to replace golf carts. This note will be repaid in five annual installment payments payable on July 31 each year. Annual principal and interest payments will occur through July 31, 2021. The note carries an interest rate of 2.0 percent.



NOTE 8 – CAPITAL ASSETS

Governmental activities	Beg Balance	Increases	Decreases	End Balance
Capital assets, not being depreciated:				
Land	\$ 26,222,008	\$ 597,894	\$ (346,451)	\$ 26,473,451
Road and right of way land	46,816,955	684,000	-	47,500,955
Construction in progress	11,885,573	10,283,985	(8,213,188)	13,956,370
Total capital assets, not being depreciated	<u>84,924,536</u>	<u>11,565,879</u>	<u>(8,559,639)</u>	<u>87,930,776</u>
Capital assets, being depreciated:				
Buildings	37,408,234	7,538,382	-	44,946,616
Infrastructure	96,034,331	2,054,866	(1,156,608)	96,932,589
Machinery and equipment	18,160,480	894,690	(877,658)	18,177,512
Total capital assets being depreciated	<u>151,603,045</u>	<u>10,487,938</u>	<u>(2,034,266)</u>	<u>160,056,717</u>
Less accumulated depreciation for:				
Buildings	(19,078,385)	(1,229,578)	-	(20,307,963)
Infrastructure	(61,225,823)	(2,419,471)	1,156,608	(62,488,686)
Machinery and equipment	(12,255,203)	(1,664,827)	747,965	(13,172,065)
Total accumulated depreciation	<u>(92,559,411)</u>	<u>(5,313,876)</u>	<u>1,904,573</u>	<u>(95,968,714)</u>
Total capital assets, being depreciated, net	<u>59,043,634</u>	<u>5,174,062</u>	<u>(129,693)</u>	<u>64,088,003</u>
Governmental activities capital assets, net	<u>\$ 143,968,170</u>	<u>\$ 16,739,941</u>	<u>\$ (8,689,332)</u>	<u>\$ 152,018,779</u>
Business-type activities	Beg Balance	Increases	Decreases	End Balance
Capital assets, not being depreciated:				
Land	\$ 6,974,069	\$ -	\$ -	\$ 6,974,069
Construction in progress	10,705,076	706,049	(10,097,728)	1,313,397
Total capital assets, not being depreciated	<u>17,679,145</u>	<u>706,049</u>	<u>(10,097,728)</u>	<u>8,287,466</u>
Capital assets, being depreciated:				
Buildings	6,218,221	-	-	6,218,221
Infrastructure	177,628,999	13,492,579	(681,255)	190,440,323
Machinery and equipment	22,365,581	1,063,056	(390,328)	23,038,309
Intangibles	3,759,027	-	-	3,759,027
Total capital assets being depreciated	<u>209,971,828</u>	<u>14,555,635</u>	<u>(1,071,583)</u>	<u>223,455,880</u>
Less accumulated depreciation for:				
Buildings	(5,404,665)	(112,116)	-	(5,516,781)
Infrastructure	(120,453,170)	(4,432,985)	681,255	(124,204,900)
Machinery and equipment	(15,330,728)	(1,108,559)	383,060	(16,056,227)
Intangibles	(2,760,830)	(76,551)	-	(2,837,381)
Total accumulated depreciation and amortization	<u>(143,949,393)</u>	<u>(5,730,211)</u>	<u>1,064,315</u>	<u>(148,615,289)</u>
Total capital assets, being depreciated, net	<u>66,022,435</u>	<u>8,825,424</u>	<u>(7,268)</u>	<u>74,840,591</u>
Business-type activities capital assets, net	<u>\$ 83,701,580</u>	<u>\$ 9,531,473</u>	<u>\$ (10,104,996)</u>	<u>\$ 83,128,057</u>



NOTE 8 – CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 707,798
Public safety	1,136,114
Highways and public improvements	2,473,540
Parks, recreation and culture	996,424
Total depreciation expense	<u>\$ 5,313,876</u>
Business-type activities	
Water	\$ 1,214,796
Wastewater	592,139
Power	2,999,499
Murray Parkway	192,580
Solid Waste	37,690
Storm Water	693,507
Total depreciation expense	<u>\$ 5,730,211</u>

NOTE 9 – INVESTMENTS IN JOINT VENTURES

The City is a participant in several joint ventures that generate financial resources through member assessments, surcharge taxes, or user fees. The City reflects its equity position (in the net resources of the joint ventures) in the funds which have the rights to such resources.

A. Trans-Jordan Cities

The Association was organized in 1968 as a joint enterprise fund of the Cities of Sandy, Midvale, West Jordan, and Murray, Utah. The City of South Jordan, Utah joined the Association during fiscal year 1997. The cities of Draper and Riverton, Utah joined the Association during fiscal year 1998. The primary purpose of the Association is the operation, maintenance, and control of a refuse dumping site east of Bingham Canyon in Salt Lake County. The City has no firm commitments to make additional equity investments in Trans-Jordan Cities. The City's ownership in the Association is calculated from the tipping fees for the preceding ten fiscal years. The Association is governed by its Board of Directors. Under the organization agreement, the Board of Directors is composed of the Mayors, or their appointed representatives, of the participating cities. The Board of Directors appoints the management and staff of the Association and approves all financial matters such as the operating budget and usage fees.

Separate audited financial statements for Trans-Jordan Cities may be obtained from Trans-Jordan Cities, Accounting Department at 10873 South 7200 West, South Jordan, UT 84095.

As of June 30, 2021, the City has an 8.04 percent ownership share in the Trans-Jordan Cities (the Association) joint enterprise. The City recognized its equity income of a joint venture of \$217,204 in the Solid Waste Fund under nonoperating revenue.

Tipping fees paid from the Solid Waste Fund to Trans-Jordan Cities were \$266,631 for fiscal year 2021.



NOTE 9 – INVESTMENTS IN JOINT VENTURES (continued)

B. Central Valley Water Reclamation Facility

The Central Valley Water Reclamation Facility (the Facility) was formed pursuant to the Utah Interlocal Co-operation Act, and is considered a separate legal entity and political subdivision of the State of Utah. The Facility's membership consists of five special-purpose government entities and two cities. The Facility was formed to plan, construct, and operate a regional sewage treatment facility for the benefit of the seven members. Members of the Facility are required to pay their proportionate share of monthly operating costs, construction costs, maintenance, and administrative costs. The Facility is governed by its Board of Directors. Under the Organization Agreement, all seven members (one of whom is the City), are entitled to designate one of the Facility's seven directors. The Wastewater Fund (an enterprise fund) has an approximate 8.70 percent ownership in the Central Valley Water Reclamation Facility (the Facility). The City's share of operations, maintenance, administration expenses, and debt service amounted to \$2,353,101 in fiscal year 2021. The City recorded a net increase in its investment in the Facility of \$1,009,336 in fiscal year 2021.

During fiscal year 2018, the Facility issued \$28,600,000 of revenue bonds. The City's share of the total outstanding obligation at December 31, 2020 was \$4,074,030. During fiscal year 2019, the Facility issued \$35,390,000 of revenue bonds. The City's share of the total outstanding obligation at December 31, 2020 was \$4,980,360. The City is required to fund its proportionate share of debt service each year, which is included in the City's assessment from the Facility. In June 2020, the Facility closed on an agreement with the Division of Water Quality State Revolving Fund, through a direct placement note, for \$65.1 million. The funds are being released throughout the project construction period. During 2020, \$10 million of the funds were released and the City's share of released funds is \$924,000.

Separate compiled financial statements for Central Valley Water Reclamation Facility may be obtained from the Central Valley Water Reclamation Facility Accounting Department at 800 West Central Valley Road, Salt Lake City, UT 84119.

NOTE 10 – INTERLOCAL AGREEMENTS

A. Utah Associated Municipal Power System (UAMPS)

The Power Department is a member of the Utah Associated Municipal Power Systems (UAMPS). UAMPS, a joint action agency and political subdivision of the State of Utah was formed by an organization agreement dated November 6, 1980, pursuant to the provisions of the Utah Interlocal Co-operation Act. UAMPS' membership consists of 35 municipalities, one joint action agency, one electric service district, two public utility districts, two water conservancy districts, two co-ops, one municipal utility district, and one nonprofit corporation.

UAMPS is a legally separate entity, which possesses the ability to establish its own budget, incur debt, sue and be sued, and own and lease property. No other governmental units in Utah exercise significant control over UAMPS. As such, UAMPS is not a component unit as defined by the Governmental Accounting Standards Board in their Statement No. 61, "The Financial Reporting Entity."

UAMPS' purpose includes planning, financing, developing, acquiring, constructing, improving, operating, and maintaining projects. In addition, UAMPS acquires ownership interests and capacity rights, for generation, transmission, and distribution of electric energy for the benefit of its members.



NOTE 10 – INTERLOCAL AGREEMENTS (continued)

A. Utah Associated Municipal Power System (UAMPS) (continued)

As a member of UAMPS, the City has participated in various individual projects.

- The City acquired an approximate five percent interest in the Hunter II Power Plant project for \$45,662.
- In fiscal year 1990, the City acquired an approximate ten percent entitlement in UAMPS' share of a transmission service project from Craig, Colorado to Mona, Utah (the Craig-Mona project) for \$1,805,428.
- In fiscal year 1994, the City acquired an additional 1.6 megawatts of plant capacity in the San Juan Generating Station Unit 4 for \$1,953,599.
- In fiscal year 2009, the City acquired an interconnection with Granger Electric at their electric generating facility in South Jordan for \$550,000.

These entitlement payments represent prepayment of future generation fees for the projects and are being amortized over the lives of the service contracts. The unamortized balance of prepaid generation and transmission fees at June 30, 2021 is \$921,646, reported as an intangible asset.

Under various power sales contracts, UAMPS' members are required to pay their proportionate share of all operation and maintenance expenses and debt service on the revenue bonds issued by UAMPS, and any other energy-related costs, as defined in the contract regardless of whether any power is supplied to the Power Fund. The City has no firm commitments to make additional equity investments in UAMPS or in any specified projects of UAMPS.

Under the organization agreement, the four members with the greatest financial obligations to UAMPS, one of which is the City, are each entitled to designate one of UAMPS' directors. All other directors are selected from the representatives of the remaining UAMPS members.

Separate financial statements for UAMPS may be obtained from the Manager of Finance at 155 North 400 West Suite 480, Salt Lake City, UT 84103, or from the Utah State Auditor's website at <http://auditor.utah.gov/accountability/financial-reports-of-local-governments/>.

B. Valley Emergency Communications Center

The City is a member of the Valley Emergency Communications Center (VECC). VECC was organized June 30, 1988, as a joint enterprise between the City, Midvale City, Salt Lake County, Sandy City, South Jordan City, West Jordan City, and West Valley City. The primary purpose is to fund and operate a communications center which handles communications and other services for the members, including police, fire, 911 service, dispatch, and records services.

VECC is governed by a Board of Trustees consisting of one representative from each member appointed by the governing body thereof. The activities are funded by a surcharge tax on telephones within each member's city and member assessments. The Board of Trustees sets assessments for all member agencies in amounts sufficient to provide the funds required for the annual budget. VECC determines the 911 assessments for the telephone users within the members' jurisdictions.

Separate audited financial statements for Valley Emergency Communications Center may be obtained from the Finance Director at 5360 South 5885 West, West Valley City, UT 84118.



NOTE 10 – INTERLOCAL AGREEMENTS (continued)

C. Drug Enforcement Administration - Metro Task Force

The City is a member of the Drug Enforcement Administration (DEA) Metro Task Force (the Task Force). The Task Force is an interlocal co-operative organized to investigate and prosecute controlled substance offenders in the Salt Lake metropolitan area. The membership of the Task Force consists of sixteen Federal, State, County, and Municipal law enforcement agencies. Activities of the Task Force are funded through federal and state grants, with no funds being provided by the participating members.

Separate audited financial statements for DEA-Metro Task Force may be obtained from Salt Lake City, Finance Department P.O. Box 145451, Salt Lake City, UT 841114-5451.

D. Utah Infrastructure Agency (UIA)

On June 7, 2010, the City joined 8 other cities in an interlocal cooperative to purchase, lease, construct or equip facilities that are designed to provide telecommunication services within the respective cities. This agreement was amended and restated on November 1, 2010. The purpose of the agreement is to work in conjunction with Utah Telecommunications Open Infrastructure Agency (UTOPIA) to complete a wholesale fiber optic network for the residences and businesses in each city (see note 14 on UTOPIA and UIA agreement).

NOTE 11 – OPERATING LEASES

The City has entered into an operating lease agreement, as lessee, for the use of a mail machine.

Description	Original Principal	Interest Rate	Historic Cost	Accumulated Depreciation	Type
Mail Machine	17,806	NA	17,806	NA	Operating

The 60-month operating lease for a postage machine commenced May 2019 and terminates April 2024. The annual lease expense is \$3,561.

The future minimum lease obligations as of June 30, 2021 were as follows:

Future minimum lease obligations		
Year end June 30,		
2022	\$	3,561
2023		3,561
2024		2,968
	<hr/>	<hr/>
	\$	10,090



NOTE 12 – LONG-TERM LIABILITIES

The following provides detailed information about each of the City's debt issuances along with a summary of the long-term debt activity for the year.

A. Series 2009A Sales Tax Revenue Bond

Purpose: Land acquisition, fire station design and construction
Date of issuance: March 18, 2009
Interest rate: 3.00% - 4.40%
Original issuance: \$4,580,000

Debt service requirements to maturity, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 145,000	\$ 12,835	\$ 157,835
2023	150,000	6,600	156,600
	<u>\$ 295,000</u>	<u>\$ 19,435</u>	<u>\$ 314,435</u>

B. Series 2016 Sales Tax Revenue Bond

Purpose: Property acquisition for downtown development
Date of issuance: November 21, 2016
Interest rate: 2.00% - 4.00%
Original issuance: \$6,735,000

Debt service requirements to maturity, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 330,000	236,000	\$ 566,000
2023	345,000	222,500	567,500
2024	355,000	208,500	563,500
2025	370,000	194,000	564,000
2026	385,000	178,900	563,900
2027-2031	2,190,000	644,000	2,834,000
2032-2035	2,090,000	171,600	2,261,600
	<u>\$ 6,065,000</u>	<u>\$ 1,855,500</u>	<u>\$ 7,920,500</u>



NOTE 12 – LONG-TERM LIABILITIES (continued)

C. Series 2018 Sales Tax Revenue Bond

Purpose: Fire station design and construction (Station 81)
 Date of issuance: March 6, 2018
 Interest rate: 2.00% - 4.00%
 Original issuance: \$5,540,000

Debt service requirements to maturity, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 375,000	\$ 162,406	\$ 537,406
2023	390,000	147,106	537,106
2024	405,000	131,206	536,206
2025	420,000	114,706	534,706
2026	440,000	97,506	537,506
2027-2031	2,460,000	214,477	2,674,477
	<u>\$ 4,490,000</u>	<u>\$ 867,407</u>	<u>\$ 5,357,407</u>

D. Series 2020 MBA Lease Revenue Bonds

Purpose: City Hall Project construction
 Date of issuance: November 24, 2020
 Interest rate: 4.0%
 Original issuance: \$31,310,000

The Series 2020 MBA Lease Revenue Bonds were issued for the planned construction of the new City Hall project.

Debt service requirements to maturity, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 1,252,400	\$ 1,252,400
2023	585,000	1,240,700	1,825,700
2024	605,000	1,216,900	1,821,900
2025	630,000	1,192,200	1,822,200
2026	660,000	1,166,400	1,826,400
2027-2031	3,715,000	5,406,300	9,121,300
2032-2036	4,535,000	4,584,100	9,119,100
2037-2041	5,540,000	3,579,800	9,119,800
2042-2046	6,770,000	2,352,400	9,122,400
2047-2051	8,270,000	853,600	9,123,600
	<u>\$ 31,310,000</u>	<u>\$ 22,844,800</u>	<u>\$ 54,154,800</u>



NOTE 12 – LONG-TERM LIABILITIES (continued)

E. Series 2012 Water and Sewer Refunding Bonds

Purpose: Refunding of the Series 2003 Water and Sewer Revenue Bonds
 Date of issuance: April 25, 2012
 Interest rate: 2.575%
 Original issuance: \$5,070,000

The Series 2012 Water and Sewer Revenue Bonds were a shared issuance between two (2) separate and distinct proprietary funds. The Water Fund is responsible for 62.59% of this debt service, and the Wastewater Fund is responsible for 37.41% of this debt service. This bond was a direct placement.

Debt service requirements to maturity, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 570,000	\$ 37,853	\$ 607,853
2023	585,000	22,982	607,982
2024	600,000	7,725	607,725
	<u>\$ 1,755,000</u>	<u>\$ 68,560</u>	<u>\$ 1,823,560</u>

F. Series 2012 Sewer Revenue Bonds

Purpose: System improvements
 Date of issuance: June 12, 2012
 Interest rate: 2.50%
 Original issuance: \$2,626,000

The Series 2012 Sewer Revenue Bonds are state-issued water quality bonds. This bond was a direct placement.

Debt service requirements to maturity, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 125,000	43,350	\$ 168,350
2023	128,000	40,225	168,225
2024	132,000	37,025	169,025
2025	136,000	33,725	169,725
2026	139,000	30,325	169,325
2027-2031	748,000	97,775	845,775
2032-2033	326,000	12,275	338,275
	<u>\$ 1,734,000</u>	<u>\$ 294,700</u>	<u>\$ 2,028,700</u>



NOTE 12 – LONG-TERM LIABILITIES (continued)

G. Series 2013 Storm Water Revenue Bonds

Purpose: System improvements
 Date of issuance: February 28, 2013
 Interest rate: 2.00% - 4.00%
 Original issuance: \$3,000,000

Debt service requirements to maturity, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 125,000	\$ 54,992	\$ 179,992
2023	130,000	52,180	182,180
2024	130,000	49,580	179,580
2025	135,000	46,850	181,850
2026	140,000	42,800	182,800
2027-2031	785,000	143,750	928,750
2032-2033	335,000	15,150	350,150
	<u>\$ 1,780,000</u>	<u>\$ 405,302</u>	<u>\$ 2,185,302</u>

H. Series 2016 Storm Water Revenue Bonds

Purpose: System improvements
 Date of issuance: December 20, 2016
 Interest rate: 2.00% - 4.00%
 Original issuance: \$2,375,000

Debt service requirements to maturity, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 120,000	\$ 72,800	\$ 192,800
2023	125,000	68,000	193,000
2024	130,000	63,000	193,000
2025	135,000	57,800	192,800
2026	140,000	52,400	192,400
2027-2031	805,000	172,000	977,000
2032-2033	365,000	22,000	387,000
	<u>\$ 1,820,000</u>	<u>\$ 508,000</u>	<u>\$ 2,328,000</u>



NOTE 12 – LONG-TERM LIABILITIES (continued)

I. Series 2019 Water Revenue Bonds

Purpose: System improvements
Date of issuance: July 9, 2019
Interest rate: 1.00%
Original issuance: \$8,054,000

The Series 2019 Water Revenue Bonds are state-issued water quality bonds that will be used by the City to replace two wells and various pipelines throughout the City. The debt represents about 85% of the planned project costs with the City required to fund the remaining 15% or \$1,421,000. This bond was a direct placement.

Debt service requirements to maturity, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 80,540	\$ 80,540
2023	-	80,540	80,540
2024	-	80,540	80,540
2025	-	80,540	80,540
2026	263,000	80,540	343,540
2027-2031	1,357,000	362,680	1,719,680
2032-2036	1,464,000	293,460	1,757,460
2037-2041	1,697,000	214,890	1,911,890
2042-2046	1,782,000	128,380	1,910,380
2047-2050	1,491,000	37,460	1,528,460
	<u>\$ 8,054,000</u>	<u>\$ 1,439,570</u>	<u>\$ 9,493,570</u>

J. Changes in Long-term Liabilities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
<u>Governmental activities</u>					
Bonds payable					
Series 2009A Sales Tax Revenue Bonds	\$ 435,000	\$ -	\$ (140,000)	\$ 295,000	\$ 145,000
Series 2016 Sales Tax Revenue Bonds	6,380,000	-	(315,000)	6,065,000	330,000
Series 2018 Sales Tax Revenue Bonds	4,850,000	-	(360,000)	4,490,000	375,000
Series 2020 Lease Revenue Bonds	-	31,310,000	-	31,310,000	-
Unamortized premium	695,496	4,875,287	(204,892)	5,365,891	-
Total bonds payable	12,360,496	36,185,287	(1,019,892)	47,525,891	850,000
Compensated absences	3,675,802	3,053,179	(3,159,939)	3,569,042	3,029,801
Total governmental long-term obligations	<u>\$ 16,036,298</u>	<u>\$ 39,238,466</u>	<u>\$ (4,179,831)</u>	<u>\$ 51,094,933</u>	<u>\$ 3,879,801</u>
<u>Business-type activities</u>					
Bonds payable					
Series 2012 Water and Sewer Revenue Bonds	\$ 2,310,000	\$ -	\$ (555,000)	\$ 1,755,000	\$ 570,000
Series 2012 Sewer Revenue Bonds	1,856,000	-	(122,000)	1,734,000	125,000
Series 2013 Storm Water Revenue Bonds	1,905,000	-	(125,000)	1,780,000	125,000
Series 2016 Storm Water Revenue Bonds	1,935,000	-	(115,000)	1,820,000	120,000
Series 2019 Water Revenue Bonds	8,054,000	-	-	8,054,000	-
Unamortized premium	163,458	-	(12,986)	150,472	-
Total bonds payable	16,223,458	-	(929,986)	15,293,472	940,000
Compensated absences	1,479,203	984,594	(1,053,038)	1,410,759	1,179,194
Total business-type long-term obligations	<u>\$ 17,702,661</u>	<u>\$ 984,594</u>	<u>\$ (1,983,024)</u>	<u>\$ 16,704,231</u>	<u>\$ 2,119,194</u>



NOTE 13 – 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's Retained Risk Reserve Fund (an internal service fund) accounts for and accumulates resources of uninsured loss. Under this program, the Retained Risk Reserve Fund (the Fund) provides coverage for up to a maximum of \$250,000 for each general liability claim. The City purchases commercial insurance for claims in excess of coverage provided by the Fund, and for all other risks of loss.

The amount of settlements has not exceeded insurance coverage in any of the past three fiscal years.

NOTE 14 – CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent Liabilities

Grants. Amounts received or receivable from grant agencies are subject to audit and adjustment by the grantor agencies, principally the federal government. Any disallowed claims including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time; however, the City expects any such amounts to be immaterial.

Legal. The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a materially adverse effect on the financial condition of the City.

Interlocal Agreement. The City is a participant of the Intermountain Power Agency (IPA), a separate legal entity established under the guidelines of the Utah Interlocal Co-operation Act. The IPA operates a power production plant near Delta, Utah for the benefit of its members. IPA has approximately \$5.1 billion of revenue bonds that are paid from the revenues received from participant charges. Under the terms of its original contract with IPA, the City is entitled and obligated to purchase four percent of the plant's power output. However, under a subsequent excess power sales agreement, the City transferred its power entitlement to certain California purchasers for the duration of the project unless the City recalls any or all of the entitlement. In recent years, the City sold most of its entitlement to the California purchasers. The City is liable for operating expenses and repayment of the outstanding bonds only in the event of a prolonged power outage (in excess of 12 months) and/or failure to perform under the agreement on the part of each of the California participants.

The future of the IPA power plant, after the original contract expires in 2027, has been finalized. Because of California air emission law changes, which outlaw any coal fired power generation to cross California state lines, the future of the coal fired plant has been altered. The California municipal utilities consume up to 95% of the generation from the plant and so keeping those cities in the entitlement mix was imperative. Therefore, the IPA Board and staff proposed a change of fuel from coal to natural gas prior to the agreement expiration, a move that has kept all of the current shareholders in the mix. All 36 owners have signed the agreement to allow IPA to study, engineer, and actively begin modification of the plant.



NOTE 14 – CONTINGENT LIABILITIES AND COMMITMENTS (continued)

B. Commitments

Construction and property acquisition contracts. The City had active contract commitments on the following projects as of June 30, 2021.

Project type	Contract Amount	Spent-to-date	Remaining commitment
Storm water construction projects	\$ 72,100	\$ 31,163	\$ 40,937
Street construction projects	1,962,170	1,757,308	204,862
Transportation master plan	109,700	107,701	1,999
Property acquisition	800,720	700,720	100,000
City Hall construction	30,995,588	7,247,390	23,748,198
	\$ 33,940,278	\$ 9,844,282	\$ 24,095,996

Interlocal Agreement - UTOPIA. The City entered into a Pledge and Loan Agreement with the Utah Telecommunication Open Infrastructure Agency (UTOPIA). UTOPIA is an interlocal cooperative created to finance, construct and operate a system of fiber optic communication lines in various cities in the state. UTOPIA leases use of the fiber optic system to retail vendors of telephone, video, and internet services. The pledge commits the City to set aside and deposit funds as security in a debt service fund for the portion of the project related to the City. Sales and use tax revenues have been pledged towards the payment of the City's share of the debt service reserve fund requirement if withdrawals were made by the Trustee to make bond payments; however, the pledge is junior to any previously pledged sales and use tax revenue. On July 1, 2007, the City was required to deposit \$1,235,039 into the UTOPIA Series 2004 Bond Debt Service Reserve Fund.

In June 2008, the City entered into an Amended and Restated Pledge and Loan Agreement as part of a restructuring of UTOPIA debt. The City pledged sales and use tax revenue towards its share of any debt service fund shortfall.

In January 2010, the Trustees of the UTOPIA bond funds notified the City that part of UTOPIA's Debt Service Reserve Fund was used to make the required bond payments. The City has received similar notices each month since this original notice. The City understands that these withdrawals will continue for an undetermined period of time and that applicable monthly replenishment payments will be required of the City for its share of the amounts withdrawn from the debt service reserve fund since January 2011.

According to the Amended and Restated Pledge and Loan Agreement, the amounts withdrawn from the City's share of the Debt Service Reserve fund becomes a loan to UTOPIA. It is currently unclear as to when UTOPIA will be in a position to repay the loan.



NOTE 14 – CONTINGENT LIABILITIES AND COMMITMENTS (continued)

B. Commitments (continued)

In December 2011, UTOPIA completed a second amended and restated pledge and loan agreement with its member cities. This change occurred so that UTOPIA could refund the Series 2008 Bonds. This reduced UTOPIA's market risk and administrative costs. This also drew down the restricted money that had been set aside for UTOPIA's Series 2004 Debt Service Reserve Fund. This amendment also helps assure that money will be available to make timely debt service payments since the member cities pay directly into the Debt Service fund and are no longer paying into the Debt Service Reserve fund. The maximum amount committed by the City for year ended June 30, 2021 was \$1,855,373, with a 2 percent increase per year through 2040. The payment commitment for fiscal year 2022 is \$1,892,480. The total debt service payments paid by the City as of June 30, 2021 is \$20,007,950. The amount paid by the City is a loan to UTOPIA, but as the likelihood of it being re-paid in the near future is remote the City has decided to disclose this amount rather than record this loan on its financial statements. UTOPIA's total bonded debt as of June 30, 2021 is \$177,711,171 of which the City is responsible for 12.34 percent or \$21,929,559.

Interlocal Agreement – UIA. On May 1, 2011, the City entered into a "Communication Service Contract" with UIA to provide connections to a fiber optic network for the residences and businesses of the City. The agreement obligates the City to financially support UIA if UIA revenues are insufficient to pay operational and debt payments. The City has obligated, but has not been required to pay, up to \$690,241 of its annual franchise tax revenue for operational support. The City paid no operational expenses to UIA for the year ended June 30, 2021. Cumulative payments to UIA for operational expenses was \$141,666 of which \$77,156 was repaid to the City during fiscal year ended June 30, 2021 and the remaining \$65,510 is anticipated to be repaid during fiscal year 2022. UIA's total bonded debt as of June 30, 2021 in which the City participated is \$70,365,000 of which the City is obligated for 13.40 percent or \$9,428,910. The amount of required support for debt service is determined annually by UIA. The City was not required to pay any debt service payment to UIA for the year ended June 30, 2021, nor have they paid any in the previous years as agreed-upon.

The service contract also provides that the City will bill and collect connection service fees from the end users located in the City on behalf of UIA. The City is entitled to 5 percent of the fee for administrative costs and the remaining 95 percent is due to UIA. The City becomes a signatory party to the end user agreement, along with UIA and the end user. The City is responsible for collection of the user fees stipulated in the agreement should the end user default.

NOTE 15 – CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued Industrial Revenue Bonds (IRBs) to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2021, there are two outstanding series of Industrial Revenue Bonds. The aggregate principal amount payable is \$271.78 million for the Series 2003 bonds and \$143.48 million for the Series 2005 bonds, both issued by Intermountain Healthcare to build a hospital and associated medical facilities.



NOTE 16 – REDEVELOPMENT AGENCY AND TAX ABATEMENTS

The Redevelopment Agency of Murray City (RDA or Agency) was established pursuant to the provisions of the Utah Community Development and Renewal Agencies Act, Utah State Code Title 17C. The Agency was established to further public purposes in the redevelopment of certain City areas. There is no outstanding debt of the RDA as June 30, 2021; however, the RDA has agreed to make payments on the Series 2016 sales tax bonds.

Below is a comparative summary of the activity that occurred for the fiscal years ended June 30.

	FY 2021	FY 2020
Tax increment collection for various project areas	\$ 4,304,215	\$ 3,667,147
Public improvements, including housing donations	(1,019,688)	(778,690)
Debt service	(565,150)	(567,550)
Tax increment distributions	(1,515,765)	(1,210,522)
Administrative costs	(484,060)	(422,042)

As of June 30, 2021, the Agency manages 6 community reinvestment areas, the Fireclay and Ore Sampling Mill areas have entered into property tax rebate (TIF) agreements with other entities. The recipient entities property tax bill is not reduced, but they are required to pay their full property tax bill. Once the taxes have been paid and it has been verified the provisions of the agreement have been met, then the agreed amount is rebated to the recipient entity. The City authorizes the rebate of property tax increment through the budget process. The annual budget is adopted by City ordinance. The amount of the tax rebate (abatement) is based on the provisions as stated in the written agreement between the Agency and the outside entity.

On, July 30, 2021, the Agency entered into a tax increment reimbursement agreement with Jesse Knight Legacy Center, LLC. for up to \$2,500,000 for the development and operation of a professional office development and entrepreneurial center in the Ore Sampling Mill Community Reinvestment project area. No reimbursement is due as the project has not been completed.

Starting in 2007, the Agency in the Fireclay reinvestment area, entered into property tax increment financing agreements. They are summarized below:

Entity	Total				Abatement Expires
	Taxes Abated 2021	Taxes Abated in Prior Years	Maximum Tax Abatement	Primary Purpose of the Abatement	
Streit Avida, LLC	\$ 448,175	\$ 299,974	\$ 4,772,752	Urban renewal, commercial, housing	2033
Murray TOD Owner, LLC		451,028	451,028	Urban renewal, commercial, housing	2033
Parley's Partners, LLC	122,825	391,133	2,498,588	Urban renewal, commercial, housing	2033
Hamlet Development	204,583	939,559	3,205,586	Urban renewal, commercial, housing	2033
	<u>\$ 775,583</u>	<u>\$ 2,081,694</u>	<u>\$ 10,927,954</u>		



NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Plan description. Eligible plan participants are provided with pensions through the Utah Retirement Systems. Utah Retirement Systems are comprised of the following pension trust funds.

A. Defined Benefit Plans

The following defined benefit plans are multiple-employer, cost-sharing public employee retirement systems:

- Public Employees Noncontributory Retirement System (Noncontributory System)
- Public Employees Contributory Retirement System (Contributory System)
- Firefighters Retirement System (Firefighters System)
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System)
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System)

The following defined benefit plan is a mixed-agent, multiple-employer, cost-sharing public employee retirement system:

- Public Safety Retirement system (Public Safety System)

The Tier 2 Public Employee 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 Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.



NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

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

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age		
		25 years any age*		
		20 years age 60*	2.0% per year all years	Up to 4%
		10 years age 62*		
Contributory System	Highest 5 years	4 years age 65		
		30 years any age		
		25 years any age*	1.25% per year to June 1975; 2.0% per year July 1975 to present	Up to 4%
		20 years age 60*		
Public Safety System	Highest 3 years	10 years age 60	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending upon employer
		4 years age 65		
		20 years any age		
Firefighters System	Highest 3 years	10 years age 60	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
		4 years age 65		
		35 years any age		
Tier 2 Public Employees System	Highest 5 years	20 years age 60*	1.50% per year all years	Up to 2.5%
		10 years age 62*		
		4 years age 65		
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age	1.50% per year all years to June 30, 2020; 2.0% per year July 1, 2020 to present	Up to 2.5%
		20 years age 60*		
		10 years age 62*		
		4 years age 65		

*with actuarial reductions

**All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.



NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Contribution Rate Summary. As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2021 are as follows:

	Employee Paid	Employer for Employee	Contribution Rates	for 401(k) Plan
Contributory System				
11 - Local Governmental Division Tier 1	N/A	6.00%	14.46%	N/A
111 - Local Governmental Division Tier 2	N/A	N/A	15.80%	0.89%
Noncontributory System				
15 - Local Governmental Division Tier 1	N/A	N/A	18.47%	N/A
Public Safety Contributory System				
122 - Tier 2 DB Hybrid Public Safety	2.27%	N/A	25.83%	N/A
Public Safety Noncontributory System				
43 - Other Division A 2.5% COLA	N/A	N/A	34.04%	N/A
Firefighters System				
31 - Division A Tier 1	N/A	15.05%	4.61%	N/A
132 - Tier 2 DB Hybrid Firefighters	2.27%	N/A	14.08%	N/A
Tier 2 DC Only				
211 - Local Government	N/A	N/A	6.69%	10.00%
222 - Public Safety	N/A	N/A	11.83%	14.00%
232 - Firefighters	N/A	N/A	0.08%	14.00%

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

For fiscal year ended June 30, 2021, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 2,236,757	NA
Contributory System	37,869	15,713
Public Safety System	1,272,146	-
Firefighters System	159,005	519,097
Tier 2 Public Employees System	726,151	-
Tier 2 Public Safety and Firefighter System	613,167	64,668
Tier 2 DC Only System	39,197	NA
Tier 2 DC Public Safety and Firefighter System	8,163	NA
Total Contributions	\$ 5,092,455	\$ 599,478

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



NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Combined pension assets, liabilities, expense, and deferred outflows and/or inflows of resources relating to pensions. At June 30, 2021, the City reported a net pension asset of \$3,310,858 and a net pension liability of \$3,125,250.

System	Measurement Date: December 31, 2020					
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2019	Change (Decrease)	
Noncontributory System	\$ -	\$ 729,094	1.4213945%	1.4367874%	-0.0153929%	
Contributory System	346,000	-	1.9305677%	2.3368421%	-0.4062744%	
Public Safety System	-	2,233,320	2.6899647%	2.8088166%	-0.1188519%	
Firefighters System	2,964,858	-	10.6031677%	11.0721341%	-0.4689664%	
Tier 2 Public Employees System	-	38,523	0.2678439%	0.2710481%	-0.0032042%	
Tier 2 Public Safety and Firefighter System	-	124,313	1.3859616%	1.4826876%	-0.0967260%	
	\$ 3,310,858	\$ 3,125,250				

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

For the year ended June 30, 2021, the City recognized a pension expense of \$1,189,131.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,945,297	\$ 139,362
Changes in assumptions	537,529	226,527
Net difference between projected and actual earnings on pension plan investments	-	10,774,742
Changes in proportion and differences between contributions and proportionate share of contributions	328,587	229,227
Contributions subsequent to the measurement date	2,517,663	-
	\$ 5,329,076	\$ 11,369,858

Deferred outflows of resources related to pensions of \$2,517,663 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2020.



NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

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

<u>Year ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources	
2021	\$	(2,373,593)
2022		(1,097,028)
2023		(3,617,247)
2024		(1,679,434)
2025		74,942
Thereafter		133,915

Noncontributory system pension expense and deferred outflows and/or inflows of resources. At June 30, 2021, the City recognized pension expense of \$689,096.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 978,131	\$ -
Changes in assumptions	-	95,370
Net difference between projected and actual earnings on pension plan investments	-	5,323,887
Changes in proportion and differences between contributions and proportionate share of contributions	61,267	67,535
Contributions subsequent to the measurement date	1,078,453	-
	\$ 2,117,851	\$ 5,486,792

Deferred outflows of resources related to pensions of \$1,078,453 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2020.

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

<u>Year ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources	
2021	\$	(1,165,381)
2022		(542,397)
2023		(1,856,988)
2024		(882,628)



NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Contributory system pension expense and deferred outflows and/or inflows of resources. At June 30, 2021, the City recognized a pension expense of (\$248,427).

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	- -	- -
Net difference between projected and actual earnings on pension plan investments	- -	586,975
Changes in proportion and differences between contributions and proportionate share of contributions	- -	- -
Contributions subsequent to the measurement date	<u>18,120</u>	- -
	<u>\$ 18,120</u>	<u>\$ 586,975</u>

Deferred outflows of resources related to pensions of \$18,120 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2020.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources	
	2021	\$ (187,737)
	2022	(89,945)
	2023	(213,562)
	2024	(95,731)



NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Public safety system pension expense and deferred outflows and/or inflows of resources. At June 30, 2021, the City recognized pension expense of \$767,113.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 411,065	\$ 2,161
Changes in assumptions	-	63,519
Net difference between projected and actual earnings on pension plan investments	-	2,885,928
Changes in proportion and differences between contributions and proportionate share of contributions	129,583	151,067
Contributions subsequent to the measurement date	630,536	-
	<hr/> <u>\$ 1,171,184</u>	<hr/> <u>\$ 3,102,675</u>

Deferred outflows of resources related to pensions of \$630,536, results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2020.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources	
	2021	\$ (631,585)
	2022	(413,321)
	2023	(1,038,752)
	2024	(478,369)



NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Firefighters system pension expense, and deferred outflows and/or inflows of resources. At June 30, 2021, the City recognized pension expense of (\$774,699).

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 456,360	\$ 119,521
Changes in assumptions	459,913	52,918
Net difference between projected and actual earnings on pension plan investments	-	1,785,903
Changes in proportion and differences between contributions and proportionate share of contributions	49,650	9,522
Contributions subsequent to the measurement date	79,657	-
	\$ 1,045,580	\$ 1,967,864

Deferred outflows of resources related to pensions of \$79,657 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2020.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources	
2021	\$	(355,079)
2022		(30,401)
2023		(462,519)
2024		(208,427)
2025		54,485



NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Tier 2 public employee system pension expense and deferred outflows and/or inflows of resources. At June 30, 2021, the City recognized pension expense of \$376,973.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,462	\$ 17,640
Changes in assumptions	48,727	1,401
Net difference between projected and actual earnings on pension plan investments	-	112,604
Changes in proportion and differences between contributions and proportionate share of contributions	57,874	-
Contributions subsequent to the measurement date	395,583	-
	<hr/> <u>\$ 537,646</u>	<hr/> <u>\$ 131,645</u>

Deferred outflows of resources related to pensions of \$395,583 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2020.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources	
2021	\$ (19,408)	
2022	(11,497)	
2023	(26,338)	
2024	(7,812)	
2025	12,952	
Thereafter	62,521	



NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Tier 2 public safety and firefighter system pension expense and deferred outflows and/or inflows of resources. At June 30, 2021, the City recognized pension expense of \$379,074.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 64,278	\$ 40
Changes in assumptions	28,889	13,319
Net difference between projected and actual earnings on pension plan investments	-	79,445
Changes in proportion and differences between contributions and proportionate share of contributions	30,214	1,103
Contributions subsequent to the measurement date	315,314	-
	<hr/> \$ 438,695	<hr/> \$ 93,907

Deferred outflows of resources related to pensions of \$315,314 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2020.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources	
2021	\$ (14,403)	
2022	(9,467)	
2023	(19,088)	
2024	(6,467)	
2025	7,505	
Thereafter	71,394	

Actuarial assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement.

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



NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

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

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetical real rates of return for each major asset class are summarized in the following table.

Asset Class	Expected Return Arithmetic Bases		
	Target asset allocation	Real return arithmetic basis	Long-term expected portfolio real rate of return
Equity securities	37%	6.30%	2.33%
Debt securities	20%	0.00%	0.00%
Real assets	15%	6.19%	0.93%
Private equity	12%	9.50%	1.14%
Absolute return	16%	2.75%	0.44%
Cash and cash equivalents	0%	0.00%	0.00%
Total	<u>100%</u>		<u>4.84%</u>
Inflation			<u>2.50%</u>
Expected arithmetic nominal return			<u>7.34%</u>

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

Discount rate. The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95 percent.



NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

	1% decrease (5.95%)	Discount rate (6.95%)	1% increase (7.95%)
Noncontributory System	\$ 12,640,327	\$ 729,094	\$ (9,200,710)
Contributory System	514,613	(346,000)	(1,072,643)
Public Safety System	9,428,740	2,233,320	(3,609,348)
Firefighters System	1,346,964	(2,964,857)	(6,452,222)
Tier 2 Public Employees System	648,234	38,523	(427,889)
Tier 2 Public Safety and Firefighter System	586,096	124,313	(243,988)
	<u>\$ 25,164,974</u>	<u>\$ (185,607)</u>	<u>\$ (21,006,800)</u>

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

B. Defined Contribution Savings Plan

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

Murray City participates in the following defined contribution savings plans with Utah Retirement Systems.

- 401(k) plan; 457(b) plan; Roth IRA plan; and Traditional IRA Plan

The City limits participation in the defined contribution savings plan to employees who are classified as full-time and benefit-eligible. Benefit terms are established and may only be amended by the Mayor with the support of the City Council. The City currently contributes 4.2% of gross earnings into a 401 (k) plan on behalf of all full-time employees. Employee contributions are voluntary.

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

	FY 2021	FY 2020	FY 2019
401 (k) Plan			
Employer contributions	\$ 1,060,494	\$ 1,042,692	\$ 1,001,520
Employee contributions	667,714	644,219	582,146
457 Plan			
Employer contributions	-	-	-
Employee contributions	355,729	299,039	269,656
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	74,117	60,193	54,418
Traditional IRA			
Employer contributions	N/A	N/A	N/A
Employee contributions	560	-	-



NOTE 18 – FUND BALANCE

Financial statement fund balance category details are as follows:

Fund Type	Capital Projects							Total
	General Fund	Fund	RDA	Library	MBA	Cemetery		
Nonspendable								
Prepays	\$ 23,627	\$ 741,059	\$ -	\$ 24,069	\$ -	\$ -	\$ 788,755	
Endowment	-	-	-	17,403	-	-	-	17,403
Restricted								
Alcohol tax	149,119	-	-	-	-	-	-	149,119
Transportation sales tax	-	472,162	-	-	-	-	-	472,162
Escrow	-	100,000	-	-	-	-	-	100,000
Historic smelter	16,564	-	-	-	-	-	-	16,564
State allowance	-	501,838	-	-	-	-	-	501,838
Debt service	53	-	72	-	-	-	-	125
Low-income housing	-	-	2,325,952	-	-	-	-	2,325,952
Capital projects	-	-	-	-	29,368,386	-	-	29,368,386
Committed								
Cemetery perpetual care	-	-	-	-	-	-	1,415,657	1,415,657
Assigned								
Capital projects	-	20,688,907	-	-	-	-	-	20,688,907
Redevelopment	-	-	2,355,764	-	-	-	-	2,355,764
Library	-	-	-	3,690,821	-	-	-	3,690,821
MBA	-	-	-	-	231,505	-	-	231,505
Unassigned	12,561,692	-	-	-	-	-	-	12,561,692
	\$ 12,751,055	\$ 22,503,966	\$ 4,681,788	\$ 3,732,293	\$ 29,599,891	\$ 1,415,657	\$ 74,684,650	

NOTE 19 – RECENT ACCOUNTING PRONOUNCEMENT

In June 2017, the GASB issued Statement No. 87, *Leases*. The statement is meant to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. Statement 87 is effective for fiscal years beginning after June 30, 2021 and earlier adoption is encouraged. The City is currently evaluating the impact of this statement on the financial statements when implemented.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The statement is meant to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period as well as to simplify accounting for interest cost incurred before the end of a construction period. Statement 89 is effective for fiscal years beginning after December 31, 2020 and early adoption is encouraged. The City implemented this statement in fiscal year 2021 and does not capitalize interest on any construction financed projects.

In June 2020, the GASB issued Statement No. 98, *Annual Comprehensive Financial Report*, which changed the name of the Comprehensive Annual Financial Report to Annual Comprehensive Financial Report (ACFR). Statement 98 is effective for years ending after December 15, 2021 with earlier application encouraged. The City has implemented this change.



NOTE 20 – SUBSEQUENT EVENTS

On July 21, 2021 the City received a distribution in the amount of \$2,894,678 from the American Rescue Plan Act (ARPA) of 2021 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF). This is the first of two payments; the second payment will be received in approximately July 2022. The eligible expenditures for these funds are divided into four categories, Covid 19 response & negative economic impact, premium pay, Government services to the extent of revenue loss, investments in water, sewer, storm water and broadband infrastructure. The City is in the process of determining how these funds will be used.

On August 2, 2021, the remaining \$295,000 of the 2009A Sales tax bonds were called and paid off early, saving the City \$15,166 in future interest costs.

In September 2021, the Redevelopment Agency of Murray City (RDA) completed the relocation of the American Tower cell tower and purchased the property where the tower is currently located. The RDA paid the relocation costs of \$700,720 in FY2021 and the property was purchased for \$100,000 in FY2022. The cell tower was relocated to a site owned by the City on Box Elder Avenue.

On November 23, 2021 Murray City completed the private placement sale of \$6,533,000 par value 15-year sales tax bonds with a true interest cost of 1.85% to the Bank of Utah. The bond proceeds will be used for road and transportation projects throughout the City. The bond payments will be made with funds received as a result of general session 2021 HB244 which provides the City with \$500,000 a year for 15 years to be used for transportation projects.



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REQUIRED SUPPLEMENTARY INFORMATION



For Fiscal Year Ended June 30, 2021

MURRAY CITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2021



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
GENERAL FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Sales tax	\$ 18,926,168	\$ 19,211,418	\$ 25,403,224	\$ 6,191,806
Property taxes	10,098,286	10,098,286	10,176,398	78,112
Franchise taxes	4,336,500	4,336,500	4,207,400	(129,100)
Licenses and permits	1,613,500	1,613,500	2,204,621	591,121
Intergovernmental	1,734,579	5,312,601	5,144,534	(168,067)
Charges for services	3,693,868	3,693,868	3,380,643	(313,225)
Fines and forfeitures	1,014,700	1,014,700	812,344	(202,356)
Miscellaneous	153,768	154,768	286,280	131,512
Investment income	50,000	50,000	97,168	47,168
Total revenues	<u>41,621,369</u>	<u>45,485,641</u>	<u>51,712,612</u>	<u>6,226,971</u>
EXPENDITURES				
General government				
Community and economic development	1,644,156	2,067,223	1,951,018	116,205
Finance and administration	531,967	531,967	491,749	40,218
Human resources	249,931	249,931	217,438	32,493
Information Technology	1,247,278	1,364,101	1,229,654	134,447
Justice court	1,021,170	1,021,170	926,681	94,489
Legal	811,026	811,026	742,424	68,602
Legislative	275,951	326,351	299,313	27,038
Mayor	476,722	476,722	434,794	41,928
Non-departmental	447,323	2,673,177	509,432	2,163,745
Total general government	<u>6,705,524</u>	<u>9,521,668</u>	<u>6,802,503</u>	<u>2,719,165</u>
Public safety				
Fire department	9,396,170	9,948,235	9,432,624	515,611
Police department	13,984,857	14,335,526	13,459,133	876,393
Total public safety	<u>23,381,027</u>	<u>24,283,761</u>	<u>22,891,757</u>	<u>1,392,004</u>
Highways and public improvements				
Engineering	927,868	927,868	879,857	48,011
Streets and highways	3,351,257	4,026,469	3,127,542	898,927
Total highways and public improvements	<u>4,279,125</u>	<u>4,954,337</u>	<u>4,007,399</u>	<u>946,938</u>
Parks, recreation, and culture				
Parks and recreation	7,075,930	7,364,269	6,080,317	1,283,952
Cemetery	477,753	477,753	445,807	31,946
Total parks, recreation, and culture	<u>7,553,683</u>	<u>7,842,022</u>	<u>6,526,124</u>	<u>1,315,898</u>
Debt service				
Principal	500,000	500,000	500,000	-
Interest and fiscal charges	196,661	196,661	192,163	4,498
Pledge payment - UTOPIA debt service	1,855,379	1,855,379	1,855,373	6
Total debt service	<u>2,552,040</u>	<u>2,552,040</u>	<u>2,547,536</u>	<u>4,504</u>
Total expenditures	<u>44,471,399</u>	<u>49,153,828</u>	<u>42,775,319</u>	<u>6,378,509</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,850,030)</u>	<u>(3,668,187)</u>	<u>8,937,293</u>	<u>12,605,480</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,196,880	4,196,880	4,204,504	7,624
Transfers out	(4,325,356)	(12,282,788)	(12,282,787)	1
Net other financing sources (uses)	<u>(128,476)</u>	<u>(8,085,908)</u>	<u>(8,078,283)</u>	<u>7,625</u>
Net change in fund balance	<u>(2,978,506)</u>	<u>(11,754,095)</u>	<u>859,010</u>	<u>\$ 12,613,105</u>
Fund balance, beginning of year	<u>11,892,045</u>	<u>11,892,045</u>	<u>11,892,045</u>	
Fund balance, end of year	<u>\$ 8,913,539</u>	<u>\$ 137,950</u>	<u>\$ 12,751,055</u>	

MURRAY CITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2021



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
REDEVELOPMENT AGENCY FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Property taxes	\$ 3,006,411	\$ 3,006,411	\$ 871,726	\$ (2,134,685)
Intergovernmental	-	-	3,432,489	3,432,489
Miscellaneous	15,228	15,228	16,128	900
Investment income	15,000	15,000	23,441	8,441
Total revenues	3,036,639	3,036,639	4,343,784	1,307,145
<u>EXPENDITURES</u>				
Highways and public improvements	2,202,363	2,978,262	2,552,442	425,820
Debt service				
Principal	315,000	315,000	315,000	-
Interest and fiscal charges	250,150	250,150	250,150	-
Total expenditures	2,767,513	3,543,412	3,117,592	425,820
Excess (deficiency) of revenues over (under) expenditures	269,126	(506,773)	1,226,192	1,732,965
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	327,062	327,062	327,062	-
Transfers out	(342,250)	(467,071)	(467,071)	-
Net other financing sources (uses)	(15,188)	(140,009)	(140,009)	-
Net change in fund balance	253,938	(646,782)	1,086,183	\$ 1,732,965
Fund balance, beginning of year	3,595,605	3,595,605	3,595,605	
Fund balance, end of year	\$ 3,849,543	\$ 2,948,823	\$ 4,681,788	

MURRAY CITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2021



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
LIBRARY FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Property taxes	\$ 2,631,784	\$ 2,631,784	\$ 2,644,812	\$ 13,028
Intergovernmental	12,000	40,236	44,987	4,751
Fines and forfeitures	20,000	20,000	5,186	(14,814)
Miscellaneous	9,000	9,000	5,136	(3,864)
Investment income	10,000	10,000	36,415	26,415
Total revenues	<u>2,682,784</u>	<u>2,711,020</u>	<u>2,736,536</u>	<u>25,516</u>
<u>EXPENDITURES</u>				
Parks, recreation, and culture	<u>1,966,578</u>	<u>1,994,814</u>	<u>1,671,223</u>	<u>323,591</u>
Total expenditures	<u>1,966,578</u>	<u>1,994,814</u>	<u>1,671,223</u>	<u>323,591</u>
Net change of fund balance	716,206	716,206	1,065,313	\$ 349,107
Fund balance, beginning of year	<u>2,666,980</u>	<u>2,666,980</u>	<u>2,666,980</u>	
Fund balance, end of year	<u>\$ 3,383,186</u>	<u>\$ 3,383,186</u>	<u>\$ 3,732,293</u>	

MURRAY CITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2021



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
MUNICIPAL BUILDING AUTHORITY FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Investment income	\$ -	\$ 34,000	\$ 79,149	\$ 45,149
Total revenues	<u>-</u>	<u>34,000</u>	<u>79,149</u>	<u>45,149</u>
<u>EXPENDITURES</u>				
Capital outlay	-	34,034,000	5,735,072	28,298,928
Debt service				
Interest and fiscal charges	-	758,303	650,552	107,751
Debt issuance costs	<u>-</u>	<u>278,921</u>	<u>278,921</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>35,071,224</u>	<u>6,664,545</u>	<u>28,406,679</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(35,037,224)</u>	<u>(6,585,396)</u>	<u>28,451,828</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Issuance of bonds	-	31,310,000	31,310,000	-
Premium on bonds issued				
Net other financing sources (uses)	<u>-</u>	<u>4,875,287</u>	<u>4,875,287</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>36,185,287</u>	<u>36,185,287</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance, end of year	<u>\$ -</u>	<u>\$ 1,148,063</u>	<u>\$ 29,599,891</u>	<u>\$ 28,451,828</u>

MURRAY CITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2021



**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 CALENDAR YEARS ***
MEASUREMENT DATE OF DECEMBER 31, 2020
JUNE 30, 2021

		Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
Noncontributory System	2014	1.4050804%	\$ 6,101,190	\$ 12,005,198	50.80%	90.2%
	2015	1.4044030%	7,988,038	12,025,956	66.42%	87.8%
	2016	1.4272199%	9,164,498	12,419,920	73.79%	87.3%
	2017	1.3914877%	6,096,525	12,097,753	50.39%	91.9%
	2018	1.4117505%	10,395,741	12,386,211	83.93%	87.0%
	2019	1.4367874%	5,415,063	12,726,367	42.55%	93.7%
	2020	1.4213945%	729,094	12,608,310	5.78%	99.2%
Contributory System	2014	1.2881602%	\$ 371,561	\$ 688,420	54.00%	94.0%
	2015	1.3895583%	976,657	592,060	164.96%	85.7%
	2016	2.3929059%	785,139	574,149	136.75%	92.9%
	2017	2.1972913%	170,665	425,573	40.10%	98.2%
	2018	2.0981454%	851,433	392,708	216.81%	91.2%
	2019	2.3368421%	153,148	418,746	36.57%	98.6%
	2020	1.9305677%	(346,000)	318,457	-108.65%	103.9%
Public Safety System	2014	2.3828708%	\$ 2,996,658	\$ 3,620,709	82.80%	90.5%
	2015	2.4167832%	4,329,066	3,590,165	120.58%	87.1%
	2016	2.5723775%	5,220,064	3,828,372	136.35%	86.5%
	2017	2.3709950%	3,719,821	3,459,507	107.51%	90.2%
	2018	2.5817706%	6,641,824	3,722,855	178.41%	84.7%
	2019	2.8088166%	4,509,886	4,098,114	110.05%	90.9%
	2020	2.6899647%	2,233,320	3,943,020	56.64%	95.5%
Firefighters System	2014	11.8165586%	\$ (674,298)	\$ 3,136,424	-21.50%	103.5%
	2015	11.5488265%	(209,172)	3,105,843	-6.73%	101.0%
	2016	12.0871251%	(95,289)	3,398,063	-2.80%	100.4%
	2017	11.5781685%	(723,117)	3,385,874	-21.36%	103.0%
	2018	11.3620768%	1,475,335	3,513,281	41.99%	94.3%
	2019	11.0721341%	(1,373,166)	3,545,014	-38.74%	105.0%
	2020	10.6031677%	(2,964,857)	3,459,222	-85.71%	110.5%
Tier 2 Public Employees System	2014	0.2312225%	\$ (7,007)	\$ 1,134,435	-0.60%	103.5%
	2015	0.2407870%	(526)	1,555,813	0.03%	100.2%
	2016	0.2467380%	29,524	2,170,558	1.36%	95.1%
	2017	2.4719860%	21,795	2,417,294	0.90%	97.4%
	2018	0.2618701%	112,153	3,052,903	3.67%	90.8%
	2019	0.2710481%	60,961	3,766,640	1.62%	96.5%
	2020	0.2678439%	38,523	4,282,041	0.90%	98.3%
Tier 2 Public Safety and Firefighter System	2014	1.7761219%	\$ (26,275)	\$ 734,851	-3.60%	120.5%
	2015	1.8809637%	(27,481)	1,119,342	-2.46%	110.7%
	2016	1.7286488%	(15,006)	1,428,252	-1.05%	103.6%
	2017	1.4908812%	(17,251)	1,573,437	-1.10%	103.0%
	2018	1.4780218%	37,033	1,974,242	1.88%	95.6%
	2019	1.4826876%	139,468	2,443,715	5.71%	89.6%
	2020	1.3859616	124,313	2,760,535	4.50%	93.1%

* In accordance with paragraph 81.a of GASB 68, employers will disclose a 10-year history of their proportionate share of the net pension liability (asset) in RSI section of the Comprehensive Annual Financial Report. This schedule presents the information from the date the information was required. Subsequent years will be added as the information becomes available.

MURRAY CITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2021



SCHEDULE OF CONTRIBUTIONS

LAST 10 FISCAL YEARS *

JUNE 30, 2021

		Actuarial-determined contributions	Contributions in relation to the contractually-required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory System	2014	\$ 2,061,432	\$ (2,061,432)	\$ -	\$ 12,017,593	17.15%
	2015	2,194,948	2,194,948	-	11,975,262	18.33%
	2016	2,181,985	2,181,985	-	11,929,341	18.29%
	2017	2,207,591	2,207,591	-	12,101,414	18.24%
	2018	2,264,847	2,264,847	-	12,493,960	18.13%
	2019	2,303,750	2,303,750	-	12,704,022	18.13%
	2020	2,311,333	2,311,333	-	12,737,008	18.15%
	2021	2,236,757	2,236,757	-	12,318,527	18.16%
Contributory System	2014	\$ 90,522	\$ (90,522)	\$ -	\$ 681,632	13.28%
	2015	94,071	94,071	-	650,548	14.46%
	2016	83,310	83,310	-	576,133	14.46%
	2017	72,189	72,189	-	499,235	14.46%
	2018	58,484	58,484	-	404,450	14.46%
	2019	59,548	59,548	-	411,814	14.46%
	2020	57,181	57,181	-	395,446	14.46%
	2021	37,869	37,869	-	261,890	14.46%
Public Safety System	2014	\$ 1,092,829	\$ (1,092,829)	\$ -	\$ 3,697,091	29.56%
	2015	1,142,893	1,142,893	-	3,572,076	32.00%
	2016	1,180,370	1,180,370	-	3,650,978	32.33%
	2017	1,162,087	1,162,087	-	3,586,349	32.40%
	2018	1,166,457	1,166,457	-	3,564,029	32.73%
	2019	1,327,470	1,327,470	-	4,039,003	32.87%
	2020	1,349,355	1,349,355	-	4,098,622	32.92%
	2021	1,272,146	1,272,146	-	3,870,146	32.87%
Firefighters System	2014	\$ 95,307	\$ (95,307)	\$ -	\$ 3,274,834	2.91%
	2015	117,450	117,450	-	3,074,888	3.82%
	2016	124,809	124,809	-	3,128,658	3.99%
	2017	131,031	131,031	-	3,368,401	3.89%
	2018	138,544	138,544	-	3,525,283	3.93%
	2019	167,330	167,330	-	3,629,720	4.61%
	2020	161,018	161,018	-	3,492,811	4.61%
	2021	159,005	159,005	-	3,483,774	4.56%
Tier 2 Public Employees System *	2014	\$ 138,866	\$ (138,866)	\$ -	\$ 992,611	13.99%
	2015	193,069	193,069	-	1,292,292	14.94%
	2016	271,016	271,016	-	1,817,920	14.91%
	2017	339,392	339,392	-	2,276,278	14.91%
	2018	412,447	412,447	-	2,729,630	15.11%
	2019	543,272	543,272	-	3,493,437	15.55%
	2020	642,148	642,148	-	4,096,087	15.68%
	2021	726,151	726,151	-	4,596,360	15.80%
Tier 2 Public Safety and Firefighter System	2014	\$ 109,576	\$ (109,576)	\$ -	\$ 599,068	18.29%
	2015	170,014	170,014	-	934,688	18.19%
	2016	232,844	232,844	-	1,289,473	18.06%
	2017	270,278	270,278	-	1,458,513	18.53%
	2018	332,268	332,268	-	1,737,316	19.13%
	2019	430,332	430,332	-	2,238,494	19.22%
	2020	500,723	500,723	-	2,672,195	18.74%
	2021	613,167	613,167	-	2,866,050	21.39%
Tier 2 Public Employees DC Only System **	2014	\$ 7,498	\$ (7,498)	\$ -	\$ 134,379	5.58%
	2015	18,143	18,143	-	269,988	6.72%
	2016	22,485	22,485	-	336,102	6.69%
	2017	26,453	26,453	-	395,408	6.69%
	2018	23,139	23,139	-	345,871	6.69%
	2019	27,749	27,749	-	415,235	6.68%
	2020	32,113	32,113	-	480,004	6.69%
	2021	39,197	39,197	-	585,903	6.69%
Tier 2 Public Safety and Firefighter DC Only System **	2014	\$ 322	\$ (322)	\$ -	\$ 3,235	9.94%
	2015	5,178	5,178	-	43,767	11.83%
	2016	205	205	-	1,733	11.83%
	2017	1,548	1,548	-	81,781	1.89%
	2018	434	434	-	93,645	0.46%
	2019	3,657	3,657	-	181,646	2.01%
	2020	7,493	7,493	-	237,082	3.16%
	2021	8,163	8,163	-	300,446	2.72%

* This schedule usually covers the 10 most recent fiscal years; however, this is the information available since implementation of GAB 68.

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



NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1- CHANGES IN ASSUMPTIONS

There were a number of demographic assumptions (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the total Pension Liability, which is about 0.50% of the Total Pension Liability as of December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at newsroom.urs.org under the "Retirement Office" column using the "Reports and Stats" tab.

MURRAY CITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2021



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SUPPLEMENTARY INFORMATION



For Fiscal Year Ended June 30, 2021



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CEMETERY FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Perpetual care fees	\$ 5,000	\$ 5,000	\$ 6,840	\$ 1,840
Investment income	10,000	10,000	9,851	(149)
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>16,691</u>	<u>1,691</u>
<u>EXPENDITURES</u>				
Parks, recreation, and culture	-	-	-	-
Total expenditures	-	-	-	-
Net change of fund balance	15,000	15,000	16,691	\$ 1,691
Fund balance, beginning of year	1,398,966	1,398,966	1,398,966	
Fund balance, end of year	<u>\$ 1,413,966</u>	<u>\$ 1,413,966</u>	<u>\$ 1,415,657</u>	



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CAPITAL PROJECTS FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ 2,074,149	\$ 2,960,670	\$ 886,521
Miscellaneous	-	-	11,718	11,718
Investment income	20,000	20,000	60,965	40,965
Total revenues	20,000	2,094,149	3,033,353	939,204
<u>EXPENDITURES</u>				
General government	124,000	1,369,865	691,243	678,622
Public safety	398,000	1,621,409	755,412	865,997
Highways and public improvements	1,325,000	4,619,126	3,221,194	1,397,932
Parks, recreation, and culture	1,077,000	4,520,071	1,799,334	2,720,737
Total expenditures	2,924,000	12,130,471	6,467,183	5,663,288
Excess (deficiency) of revenues over (under) expenditures	(2,904,000)	(10,036,322)	(3,433,830)	6,602,492
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of capital assets	-	-	48,260	48,260
Transfers in	3,938,294	12,095,726	11,971,699	(124,027)
Transfers out	(58,000)	(105,360)	(105,360)	-
Net other financing sources (uses)	3,880,294	11,990,366	11,914,599	(75,767)
Net change in fund balance	976,294	1,954,044	8,480,769	\$ 6,526,725
Fund balance, beginning of year	14,023,197	14,023,197	14,023,197	
Fund balance, end of year	<u>\$ 14,999,491</u>	<u>\$ 15,977,241</u>	<u>\$ 22,503,966</u>	



INTERNAL SERVICE FUNDS

Central Garage Fund

The Central Garage Fund is used to account for the activities of the central garage which maintains the City's fleet of vehicles and equipment. Charges for service are assigned to the other funds based on the number of vehicles and/or equipment assigned to the department.

Retained Risk Fund

The Retained Risk Fund is used to account for the activities of the City's self-insurance and risk management programs.



**STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS**

	Central Garage Fund	Retained Risk Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 197,668	\$ 1,045,810	\$ 1,243,478
Investments	-	693,639	693,639
Accounts receivable (net of allowance)	113	-	113
Inventory	70,387	-	70,387
Total current assets	<u>268,168</u>	<u>1,739,449</u>	<u>2,007,617</u>
Noncurrent assets			
Capital assets			
Equipment	245,848	-	245,848
Less: Accumulated depreciation	(150,768)	-	(150,768)
Total noncurrent assets	<u>95,080</u>	<u>-</u>	<u>95,080</u>
Total assets	<u>363,248</u>	<u>1,739,449</u>	<u>2,102,697</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>42,128</u>	<u>42,735</u>	<u>84,863</u>
Total deferred outflows of resources	<u>42,128</u>	<u>42,735</u>	<u>84,863</u>
LIABILITIES			
Current liabilities			
Accounts payable	1,724	10,267	11,991
Accrued liabilities	17,257	268,996	286,253
Compensated absences	27,777	35,285	63,062
Total current liabilities	<u>46,758</u>	<u>314,548</u>	<u>361,306</u>
Noncurrent liabilities			
Compensated absences	4,615	5,862	10,477
Net pension payable	29,221	29,642	58,863
Total noncurrent liabilities	<u>33,836</u>	<u>35,504</u>	<u>69,340</u>
Total liabilities	<u>80,594</u>	<u>350,052</u>	<u>430,646</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>89,882</u>	<u>91,177</u>	<u>181,059</u>
Total deferred Inflows of resources	<u>89,882</u>	<u>91,177</u>	<u>181,059</u>
NET POSITION			
Net investment in capital assets	95,080	-	95,080
Unrestricted	139,820	1,340,955	1,480,775
Total net position	<u>\$ 234,900</u>	<u>\$ 1,340,955</u>	<u>\$ 1,575,855</u>

MURRAY CITY
SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2021



**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS**

	Central Garage Fund	Retained Risk Fund	Total
<u>OPERATING REVENUES</u>			
Charges for services	\$ 435,322	\$ 1,418,942	\$ 1,854,264
Other	-	232,310	232,310
Total operating revenues	<u>435,322</u>	<u>1,651,252</u>	<u>2,086,574</u>
<u>OPERATING EXPENSES</u>			
Wages and benefits	368,496	408,417	776,913
Operations and maintenance	46,887	1,413,469	1,460,356
Depreciation	18,360	-	18,360
Total operating expenses	<u>433,743</u>	<u>1,821,886</u>	<u>2,255,629</u>
Operating income (loss)	<u>1,579</u>	<u>(170,634)</u>	<u>(169,055)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Investment income	883	10,214	11,097
Grant revenues	<u>7,860</u>	<u>263</u>	<u>8,123</u>
Total nonoperating revenues (expenses)	<u>8,743</u>	<u>10,477</u>	<u>19,220</u>
Change net position	10,322	(160,157)	(149,835)
Total net position, beginning of year	<u>224,578</u>	<u>1,501,112</u>	<u>1,725,690</u>
Total net position, end of year	<u>\$ 234,900</u>	<u>\$ 1,340,955</u>	<u>\$ 1,575,855</u>



**STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

	Central Garage Fund	Risk Reserve Fund	Total
Cash flows from operating activities			
Receipts from customers and users	\$ 435,952	\$ 1,652,076	\$ 2,088,028
Payments to suppliers of goods and services	(49,548)	(1,434,171)	(1,483,719)
Payments to employees for services	(373,595)	(411,839)	(785,434)
Net cash provided (used) by operating activities	<u>12,809</u>	<u>(193,934)</u>	<u>(181,125)</u>
Cash flows from capital and related financing activities			
Purchases of capital assets	(18,533)	-	(18,533)
Net cash used by capital and related financing activities	<u>(18,533)</u>	<u>-</u>	<u>(18,533)</u>
Cash flows from investing activities			
Purchase of investments	-	(5,323)	(5,323)
Investment income	883	10,214	11,097
Net cash provided by investing activities	<u>883</u>	<u>4,891</u>	<u>5,774</u>
Net increase (decrease) in cash and cash equivalents	3,019	(188,780)	(185,761)
Cash and cash equivalents - beginning of year	194,649	1,234,590	1,429,239
Cash and cash equivalents - end of year	<u>\$ 197,668</u>	<u>\$ 1,045,810</u>	<u>\$ 1,243,478</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 1,579	\$ (170,634)	\$ (169,055)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	18,360	-	18,360
(Increase) decrease in receivables	2,357	13,167	15,524
(Increase) decrease in inventory and prepaid items	(5,398)	-	(5,398)
Increase (decrease) in liabilities	(4,089)	(36,467)	(40,556)
Net cash provided (used) by operating activities	<u>\$ 12,809</u>	<u>\$ (193,934)</u>	<u>\$ (181,125)</u>



NONMAJOR PROPRIETARY FUNDS

Murray Parkway Fund

The Murray Parkway Fund is used to account for the activities of the City's golf course.

Solid Waste Fund

The Solid Waste Fund is used to account for the activities of the City's garbage and recycling collection program. The City contracts out collection services, however, the assets are owned by the City.

Telecom Fund

The Telecom Fund is used to account for the activities of the telecom connection utility program. This fund invoices and remits the UTOPIA connection fees. See Note 14B.



**STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS**

	Enterprise Funds			
	Murray Parkway Recreation Fund	Solid Waste Management Fund	Telecom Fund	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,058,445	\$ 843,127	\$ 62,096	\$ 1,963,668
Investments	-	-	52,693	52,693
Accounts receivable (net)	-	328,242	1,893	330,135
Notes receivable	-	-	22,752	22,752
Inventory	50,938	-	-	50,938
Prepaid items	-	806	-	806
Total current assets	<u>1,109,383</u>	<u>1,172,175</u>	<u>139,434</u>	<u>2,420,992</u>
Noncurrent assets				
Restricted cash	1,500	-	-	1,500
Notes receivable	-	-	112,799	112,799
Investments in joint ventures	-	2,579,434	-	2,579,434
Capital assets				
Land	326,336	-	-	326,336
Construction in progress	15,335	-	-	15,335
Buildings	873,119	-	-	873,119
Improvements other than buildings	6,147,369	-	-	6,147,369
Equipment	1,051,714	446,493	-	1,498,207
Less: Accumulated depreciation	(5,974,932)	(264,546)	-	(6,239,478)
Total noncurrent assets	<u>2,440,441</u>	<u>2,761,381</u>	<u>112,799</u>	<u>5,314,621</u>
Total assets	<u>3,549,824</u>	<u>3,933,556</u>	<u>252,233</u>	<u>7,735,613</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	80,848	20,722	-	101,570
Total deferred outflows of resources	<u>80,848</u>	<u>20,722</u>	<u>-</u>	<u>101,570</u>
LIABILITIES				
Current liabilities				
Accounts payable	45,296	128,470	-	173,766
Accrued liabilities	190,978	6,874	-	197,852
Interfund payable	912,302	-	-	912,302
Compensated absences	114,248	13,525	-	127,773
Notes payable	-	-	22,752	22,752
Customer deposits	1,500	-	-	1,500
Total current liabilities	<u>1,264,324</u>	<u>148,869</u>	<u>22,752</u>	<u>1,435,945</u>
Noncurrent liabilities				
Notes payable	-	-	112,799	112,799
Compensated absences	18,980	2,246	-	21,226
Net pension payable	56,078	14,374	-	70,452
Total noncurrent liabilities	<u>75,058</u>	<u>16,620</u>	<u>112,799</u>	<u>204,477</u>
Total liabilities	<u>1,339,382</u>	<u>165,489</u>	<u>135,551</u>	<u>1,640,422</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	172,493	44,212	-	216,705
Total deferred inflows of resources	<u>172,493</u>	<u>44,212</u>	<u>-</u>	<u>216,705</u>
NET POSITION				
Net investment in capital assets	2,438,941	181,947	-	2,620,888
Unrestricted	(320,144)	3,562,630	116,682	3,359,168
Total net position	<u>\$ 2,118,797</u>	<u>\$ 3,744,577</u>	<u>\$ 116,682</u>	<u>\$ 5,980,056</u>



**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS**

	Enterprise Funds			
	Murray Parkway Recreation Fund	Solid Waste Management Fund	Telecom Fund	Total
<u>OPERATING REVENUES</u>				
Charges for services	\$ 1,643,099	\$ 2,528,523	\$ 60,564	\$ 4,232,186
Other	-	1,146	-	1,146
Total operating revenues	1,643,099	2,529,669	60,564	4,233,332
<u>OPERATING EXPENSES</u>				
Wages and benefits	856,186	206,005	-	1,062,191
Administrative fees	-	271,815	-	271,815
Operations and maintenance	422,499	1,496,869	59,988	1,979,356
Depreciation and amortization	192,580	37,690	-	230,270
Total operating expenses	1,471,265	2,012,379	59,988	3,543,632
Operating income	171,834	517,290	576	689,700
<u>NONOPERATING REVENUES (EXPENSES)</u>				
Investment income	4,199	2,481	765	7,445
Interest and fiscal charges	(21,135)	-	-	(21,135)
Equity in income of joint venture	-	217,204	-	217,204
Grant revenues	-	1,472	-	1,472
Total nonoperating revenues (expenses)	(16,936)	221,157	765	204,986
Income before transfers	154,898	738,447	1,341	894,686
Transfers in	165,360	-	-	165,360
Change in net position	320,258	738,447	1,341	1,060,046
Total net position, beginning of year	1,798,539	3,006,130	115,341	4,920,010
Total net position, end of year	\$ 2,118,797	\$ 3,744,577	\$ 116,682	\$ 5,980,056



**STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS**

	Enterprise Funds			
	Murray Parkway Recreation Fund	Solid Waste Management Fund	Telecom Fund	Total
Cash flows from operating activities				
Receipts from customers and users	\$ 1,644,499	\$ 2,466,876	\$ 62,230	\$ 4,173,605
Payments to suppliers of goods and services	(358,679)	(1,537,527)	(59,988)	(1,956,194)
Payments to employees for services	(873,028)	(204,222)	-	(1,077,250)
Payment for interfund services	-	(271,815)	-	(271,815)
Net cash provided by operating activities	<u>412,792</u>	<u>453,312</u>	<u>2,242</u>	<u>868,346</u>
Cash flows from noncapital financing activities				
Transfers from other funds	165,360	-	-	165,360
County, state and federal grants	-	1,472	-	1,472
Changes to interfund receivables and payables	(144,427)	-	-	(144,427)
Net cash provided by noncapital financing activities	<u>20,933</u>	<u>1,472</u>	<u>-</u>	<u>22,405</u>
Cash flows from capital and related financing activities				
Purchases of capital assets	(89,915)	-	-	(89,915)
Interest and fiscal charges paid on capital debt	(21,135)	-	-	(21,135)
Net cash used by capital and related financing activities	<u>(111,050)</u>	<u>-</u>	<u>-</u>	<u>(111,050)</u>
Cash flows from investing activities				
Sale (purchase) of investments	-	-	(405)	(405)
Investment income	4,199	2,481	765	7,445
Net cash provided by investing activities	<u>4,199</u>	<u>2,481</u>	<u>360</u>	<u>7,040</u>
Net increase in cash and cash equivalents	326,874	457,265	2,602	786,741
Cash and cash equivalents - beginning of year	733,071	385,862	59,494	1,178,427
Cash and cash equivalents - end of year	<u>\$ 1,059,945</u>	<u>\$ 843,127</u>	<u>\$ 62,096</u>	<u>\$ 1,965,168</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 171,834	\$ 517,290	\$ 576	\$ 689,700
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	192,580	37,690	-	230,270
(Increase) decrease in receivables	1,545	(62,793)	1,666	(59,582)
(Increase) decrease in inventory and prepaid items	7,347	(806)	-	6,541
Increase (decrease) in liabilities	39,486	(38,069)	-	1,417
Net cash provided by operating activities	<u>\$ 412,792</u>	<u>\$ 453,312</u>	<u>\$ 2,242</u>	<u>\$ 868,346</u>

STATISTICAL SECTION



For Fiscal Year Ended June 30, 2021



This section presents detailed information as a context for better understanding the government's overall financial health in conjunction with the financial statements, notes, and required supplementary information.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess one of the City's most significant local revenue sources – sales tax and property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

MURRAY CITY
STATISTICAL SECTION
For the Fiscal Year Ended June 30, 2021



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SCHEDULE 1 - NET POSITION BY COMPONENT

Last Ten Fiscal Years

Accrual basis of accounting

(Amounts expressed in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
Net investment in capital assets	\$133,861	\$131,608	\$121,879	\$68,475	\$70,308	\$64,825	\$60,998	\$56,505	\$57,483	\$56,770
Restricted	3,566	2,141	8,495	8,859	5,616	4,030	3,633	5,878	2,364	2,897
Unrestricted	36,124	22,584	17,107	20,424	16,245	16,398	15,199	20,496	20,391	17,716
Total governmental net position	173,551	156,333	147,481	97,758	92,169	85,253	79,830	82,879	80,238	77,383
Business-type activities										
Net investment in capital assets	67,917	67,590	69,011	66,553	66,627	71,916	63,107	62,237	56,679	55,047
Restricted	265	269	1,546	1,919	2,803	296	599	2,303	3,215	-
Unrestricted	52,062	49,376	41,667	28,097	25,233	20,862	24,469	24,284	24,892	25,052
Total business-type net position	120,244	117,235	112,224	96,569	94,663	93,074	88,175	88,824	84,786	80,099
Primary government										
Net investment in capital assets	201,778	199,198	190,890	135,028	136,935	136,741	124,105	118,742	114,162	111,817
Restricted	3,831	2,410	10,041	10,778	8,419	4,326	4,232	8,181	5,579	2,897
Unrestricted	88,186	71,960	58,774	48,521	41,478	37,260	39,668	44,780	45,283	42,768
Total primary government net position	\$293,795	\$273,568	\$259,705	\$194,327	\$186,832	\$178,327	\$168,005	\$171,703	\$165,024	\$157,482



SCHEDULE 2 - CHANGE IN NET POSITION

Last Ten Fiscal Years

Accrual basis of accounting

Notes to the financial statements
(Amounts expressed in thousands)

Amounts expressed in thousands)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities										
General government	\$8,610	\$10,547	\$11,048	\$8,858	\$8,988	\$8,192	\$8,195	\$8,279	\$7,406	\$8,984
Public safety	22,793	23,740	23,587	19,238	20,510	19,661	17,450	17,996	16,356	16,679
Highways and public improvements	8,775	8,798	7,993	6,253	6,842	6,870	6,291	6,837	8,666	7,880
Parks, recreation, and culture	9,084	9,058	9,158	9,931	8,682	8,444	8,030	7,947	7,539	7,068
Debt service - interest and fiscal charges	1,267	335	350	335	323	317	303	336	384	440
Total governmental expenses	50,529	52,478	52,136	44,615	45,345	43,484	40,269	41,395	40,351	41,051
Business-type activities										
Water	5,399	5,365	4,864	4,828	4,755	4,560	4,399	4,139	4,128	4,085
Wastewater	4,961	5,282	4,464	6,748	5,612	3,425	3,555	3,412	3,354	3,255
Power	36,986	32,730	31,635	32,142	32,080	32,429	32,613	32,412	30,312	31,190
Murray parkway	1,492	1,493	1,501	1,382	1,729	1,295	1,394	1,290	1,260	1,697
Telecom	60	77	72	83	68	84	69	71	63	33
Solid waste	2,012	1,945	1,714	1,616	1,571	1,323	1,229	1,189	1,127	1,050
Storm water	2,242	2,990	2,709	2,614	2,457	2,342	2,452	2,240	1,918	1,885
Total business-type activities expenses	53,152	49,882	46,959	49,413	48,272	45,458	45,711	44,753	42,162	43,195
Total primary government expenses	\$103,681	\$102,360	\$99,095	\$94,028	\$93,617	\$88,942	\$85,980	\$86,148	\$82,513	\$84,246
Program revenues										
Governmental activities										
Charges for services										
General government	\$3,200	\$3,360	\$5,534	\$3,159	\$3,545	\$3,680	\$3,340	\$3,338	\$3,090	\$3,423
Public safety	2,700	2,019	2,608	2,123	2,176	1,808	1,661	1,531	900	1,183
Highways & public improvements	-	-	1,810	-	-	-	63	71	58	99
Parks, recreation, and culture	1,236	1,387	1,988	1,779	1,777	2,025	1,739	1,695	1,616	1,775
Operating grants and contributions	8,326	6,019	-	2,527	2,638	2,514	3,306	-	5,085	4,478
Capital grants & contributions	4,714	3,616	4,780	429	2,239	1,496	213	4,606	626	2,087
Total governmental program revenues	20,176	16,401	16,720	10,017	12,375	11,523	10,322	11,241	11,375	13,045
Business-type activities										
Charges for services										
Water	7,426	7,286	6,046	5,751	5,802	5,476	5,245	5,497	5,938	6,373
Wastewater	5,369	5,092	4,833	4,743	4,878	4,815	4,600	4,371	4,196	4,348
Power	36,886	36,258	37,853	37,389	37,254	38,173	36,824	37,514	37,990	37,628
Murray parkway	1,643	1,426	1,254	1,252	1,180	1,274	1,394	1,320	1,460	1,563
Telecom	60	69	74	84	68	84	71	71	67	34
Solid waste	2,530	2,286	1,793	1,659	1,605	1,485	1,385	1,369	1,212	1,010
Storm water	2,362	1,915	1,918	1,879	1,650	1,641	1,617	1,864	1,757	1,403
Operating grants & contributions	193	25	-	-	-	-	-	-	-	-
Capital grants & contributions	1,771	1,794	3,309	256	702	167	178	38	743	833
Total business-type program revenues	58,240	56,151	57,080	53,013	53,139	53,115	51,314	52,044	53,363	53,192
Total primary government program revenues	\$78,416	\$72,552	\$73,800	\$63,030	\$65,514	\$64,638	\$61,636	\$63,285	\$64,738	\$66,237
Net (expense)/revenue										
Governmental activities	\$(30,353)	\$(36,077)	\$(35,416)	\$(34,598)	\$(32,970)	\$(31,961)	\$(29,947)	\$(30,154)	\$(28,976)	\$(28,006)
Business-type activities	5,088	6,269	10,121	3,600	4,867	7,657	5,603	7,291	11,201	9,997
Total primary government net expense	\$(25,265)	\$(29,808)	\$(25,295)	\$(30,998)	\$(28,103)	\$(24,304)	\$(24,344)	\$(22,863)	\$(17,775)	\$(18,009)



SCHEDULE 2 - CHANGE IN NET POSITION (continued)

Last Ten Fiscal Years

Accrual basis of accounting

(Amounts expressed in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General revenues & other changes in net position										
Governmental activities										
Taxes										
Sales taxes	\$25,403	\$22,327	\$20,769	\$20,320	\$19,434	\$17,596	\$14,181	\$13,548	\$12,916	\$12,847
Property taxes	13,693	13,194	13,475	10,996	11,093	11,031	11,052	10,293	10,299	10,076
Franchise taxes	4,208	4,301	4,459	4,630	4,666	4,794	4,724	4,932	4,993	4,849
Investment income	318	937	1,007	455	391	232	171	120	203	296
Gain/(loss) on sale & disposal of assets	48	64	69	(2)	57	82	31	57	94	11
Miscellaneous	253	402	260	292	608	417	349	279	277	207
Rent, transfers & miscellaneous	3,648	3,704	1,374	3,599	3,638	3,231	4,173	3,565	3,606	3,130
Total governmental activities	<u>47,571</u>	<u>44,929</u>	<u>41,413</u>	<u>40,290</u>	<u>39,887</u>	<u>37,383</u>	<u>34,681</u>	<u>32,794</u>	<u>32,388</u>	<u>31,416</u>
Business-type activities										
Investment income	265	1,035	1,076	626	408	383	308	288	287	245
Equity investment income	1,226	1,384	1,173	-	-	-	-	-	-	-
Gain/(loss) on sale & disposal of assets	78	27	83	(105)	3	90	50	25	31	163
Rent & transfers	(3,648)	(3,704)	(1,374)	(3,599)	(3,638)	(3,231)	(4,173)	(3,565)	(3,606)	(3,130)
Total business-type activities	<u>(2,079)</u>	<u>(1,258)</u>	<u>958</u>	<u>(3,078)</u>	<u>(3,227)</u>	<u>(2,758)</u>	<u>(3,815)</u>	<u>(3,252)</u>	<u>(3,288)</u>	<u>(2,722)</u>
Total primary government	<u>\$45,492</u>	<u>\$43,671</u>	<u>\$42,371</u>	<u>\$37,212</u>	<u>\$36,660</u>	<u>\$34,625</u>	<u>\$30,866</u>	<u>\$29,542</u>	<u>\$29,100</u>	<u>\$28,694</u>
Change in net position										
Governmental activities	\$17,218	\$8,852	\$5,997	\$5,692	\$6,917	\$5,422	\$4,734	\$2,640	\$3,412	\$3,410
Business-type activities	\$3,009	5,011	11,079	522	1,640	4,899	1,788	4,039	7,913	7,275
Total primary government	<u>\$20,227</u>	<u>\$13,863</u>	<u>\$17,076</u>	<u>\$6,214</u>	<u>\$8,557</u>	<u>\$10,321</u>	<u>\$6,522</u>	<u>\$6,679</u>	<u>\$11,325</u>	<u>\$10,685</u>

MURRAY CITY
STATISTICAL SECTION
For the Fiscal Year Ended June 30, 2021



SCHEDULE 3 - FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Modified accrual basis of accounting

(Amounts expressed in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General fund										
Nonspendable	\$23	\$13	\$13	\$52	\$129	\$173	\$148	\$123	\$-	\$235
Restricted	166	121	58	121	340	104	258	163	363	1,917
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	12,562	11,758	11,382	10,164	8,797	9,280	8,624	8,440	9,638	9,150
Total general fund	<u>\$12,751</u>	<u>\$11,892</u>	<u>\$11,453</u>	<u>\$10,337</u>	<u>\$9,266</u>	<u>\$9,557</u>	<u>\$9,030</u>	<u>\$8,726</u>	<u>\$10,001</u>	<u>\$11,302</u>
All other governmental funds										
Nonspendable	\$782	\$39	\$681	\$35	\$39	\$36	\$34	\$16	\$-	\$-
Restricted	32,769	2,020	8,438	8,651	5,260	3,926	3,374	5,715	1,481	461
Committed	1,416	1,399	1,349	1,433	1,420	1,354	1,046	1,404	1,359	1,316
Assigned	26,967	18,227	13,436	14,193	12,016	10,999	11,282	10,368	9,897	6,223
Total all other governmental funds	<u>\$61,934</u>	<u>\$21,685</u>	<u>\$23,904</u>	<u>\$24,312</u>	<u>\$18,735</u>	<u>\$16,315</u>	<u>\$15,736</u>	<u>\$17,503</u>	<u>\$12,737</u>	<u>\$8,000</u>



SCHEDULE 4 - CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Modified accrual basis of accounting

(Amounts expressed in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Taxes & special assessments	\$43,304	\$39,822	\$38,703	\$35,946	\$35,193	\$33,421	\$29,956	\$28,773	\$28,208	\$27,625
Licenses & permits	2,205	2,171	1,830	1,776	2,088	1,989	1,530	1,400	1,380	1,526
Intergovernmental	11,583	5,999	6,018	2,709	3,974	3,372	2,905	4,417	5,085	4,478
Administrative fees	-	-	-	-	-	-	-	-	3,025	2,994
Charges for services	3,387	3,292	3,785	3,720	3,479	3,419	2,944	2,892	2,575	3,057
Fines & forfeitures	817	1,044	1,287	1,245	1,347	1,623	1,810	1,938	1,710	1,897
Emergency 911 Fees	-	-	-	-	475	466	448	424	-	-
Miscellaneous	319	480	417	292	608	418	349	279	278	207
Investment income	307	885	949	426	371	220	163	113	194	286
Total revenues	<u>61,922</u>	<u>53,693</u>	<u>52,989</u>	<u>46,114</u>	<u>47,535</u>	<u>44,928</u>	<u>40,105</u>	<u>40,236</u>	<u>42,455</u>	<u>42,070</u>
Expenditures										
General government	6,756	7,700	8,240	6,767	6,659	6,374	6,355	6,169	8,561	9,697
Public safety	22,989	22,145	21,674	18,597	18,993	18,371	17,483	17,387	16,424	15,987
Highways & public improvements	6,563	6,320	5,645	4,220	4,598	4,790	4,536	6,190	6,496	6,204
Parks, recreation and culture	8,436	7,859	7,951	9,106	7,579	7,660	7,238	5,785	6,957	6,325
Capital outlay	11,910	12,281	9,187	7,720	12,603	5,910	6,608	3,315	3,377	2,883
Debt service										
Principal	815	790	771	511	4,376	2,008	1,565	1,289	1,524	1,754
Interest	1,093	475	499	434	420	349	331	353	410	475
Bond issuance costs	279	-	-	-	-	-	-	-	-	-
Pledge payment - UTOPIA	1,855	1,819	1,783	1,748	1,714	1,680	1,647	1,615	1,584	1,661
Total expenditures	<u>60,696</u>	<u>59,389</u>	<u>55,750</u>	<u>49,103</u>	<u>56,942</u>	<u>47,142</u>	<u>45,763</u>	<u>42,103</u>	<u>45,333</u>	<u>44,986</u>
Excess of revenues over (under) expenditures	<u>1,226</u>	<u>(5,696)</u>	<u>(2,761)</u>	<u>(2,989)</u>	<u>(9,407)</u>	<u>(2,214)</u>	<u>(5,658)</u>	<u>(1,867)</u>	<u>(2,878)</u>	<u>(2,916)</u>
Other financing sources (uses)										
Proceeds from borrowing	36,186	-	-	5,898	7,521	-	-	1,343	-	-
Capital lease financing	-	-	-	-	-	-	-	420	96	-
Transfers in	16,503	13,064	11,263	17,048	9,632	8,583	8,255	8,471	10,923	7,261
Transfers out	(12,855)	(9,304)	(7,873)	(13,448)	(5,694)	(5,346)	(4,074)	(4,906)	(7,317)	(4,131)
Sales of capital assets	48	156	78	40	77	82	16	29	1,363	208
Total other financing sources (uses)	<u>39,882</u>	<u>3,916</u>	<u>3,468</u>	<u>9,538</u>	<u>11,536</u>	<u>3,319</u>	<u>4,197</u>	<u>5,357</u>	<u>5,065</u>	<u>3,338</u>
Net change in fund balances	<u><u>\$41,108</u></u>	<u><u>\$(1,780)</u></u>	<u><u>\$707</u></u>	<u><u>\$6,549</u></u>	<u><u>\$2,129</u></u>	<u><u>\$1,105</u></u>	<u><u>\$(1,461)</u></u>	<u><u>\$3,490</u></u>	<u><u>\$2,187</u></u>	<u><u>\$422</u></u>
Debt service as a % of noncapital expenditures	7.71%	6.55%	6.56%	6.51%	14.68%	9.79%	9.05%	8.40%	8.38%	9.24%

Notes:

- Two (2) state-mandated changes in reporting requirements were implemented in FY 2014. First, E911 fees were required to be reported as revenue and then expensed when passed through to another non-taxing government entity; and second, administrative fees were no longer be treated as revenue but instead the expenditures attributed to these services were to be reported directly in the funds receiving the service.



SCHEDULE 5 - TAX REVENUES BY SOURCE, GOVERNMENTAL ACTIVITIES

Last Ten Fiscal Years

Accrual basis of accounting

Fiscal Year	Property Tax**	Tax Increment	Sales Tax*	Franchise Tax	Transient Room Tax	Total
2021	\$12,821,210	\$4,304,215	\$25,263,968	\$4,207,400	\$139,256	\$46,736,049
2020	12,403,798	3,667,147	22,153,402	4,301,199	173,159	42,698,705
2019	12,838,377	2,861,642	20,553,204	4,458,730	215,878	40,927,831
2018	8,488,555	2,506,977	20,095,999	4,630,311	224,117	35,945,959
2017	8,433,772	2,658,774	19,227,686	4,666,627	205,970	35,192,828
2016	8,272,206	2,759,197	17,407,444	4,793,748	188,749	33,421,344
2015	8,275,306	2,776,692	14,024,199	4,723,793	156,393	29,956,383
2014	8,159,505	2,133,581	13,461,012	4,931,685	86,875	28,772,658
2013	8,061,307	2,237,283	12,821,666	4,993,384	94,359	28,207,999
2012	8,085,132	1,990,650	12,613,871	4,849,560	85,884	27,625,097

*Note: In FY 2016, the city passed a 0.2% sales tax authorized by the Utah State Legislature. In fiscal year 2019, as authorized by the State Legislature the City passed .15% sales tax increase proceeds of which are dedicated to transportation projects. The City receives .25% of the .15%, the remaining amount goes to other entities.

**Note: In FY 2019, the City passed a 45% property tax increase.



SCHEDULE 6 - ASSESSED VALUE AND ESTIMATED ACCRUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Tax Year	Fiscal Year	Total Real Taxable Assessed Value	Estimated Actual Real Taxable Value	Ratio of Total Assessed Value to Total Estimated Actual Value	Murray City Direct Tax Rate	Murray City Library Tax Rate
2020	2021	\$5,726,604,558	\$8,339,358,033	68.67%	0.001689	0.000439
2019	2020	5,306,491,938	7,697,839,939	68.93%	0.001785	0.000464
2018	2019	4,871,492,325	7,043,255,943	69.17%	0.001892	0.000491
2017	2018	4,456,659,721	6,454,562,023	69.05%	0.001415	0.000344
2016	2017	4,102,757,654	5,944,846,239	69.01%	0.001522	0.000370
2015	2016	3,757,320,168	5,477,592,570	68.59%	0.001648	0.000401
2014	2015	3,557,744,127	5,194,496,520	68.49%	0.001734	0.000422
2013	2014	3,386,078,259	4,908,687,090	68.98%	0.001782	0.000434
2012	2013	3,268,771,128	4,728,904,683	69.12%	0.001817	0.000442
2011	2012	3,314,520,835	4,828,368,654	68.65%	0.001772	0.000431

Source: Utah State Tax Commission – Property Tax Division (www.taxrates.utah.gov)

Note: All property in Salt Lake County is assessed annually. All real property is assessed at its fair market value with a 45% reduction in fair market value allowed for primary residential property. Business personal property is self-assessed annually and is not included above.



SCHEDULE 7 – DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years

Tax Year	Fiscal Year	Murray City	Murray City Library	Murray School District	Salt Lake County	Mosquito Abatement District	Central Utah Water Conservation
2020	2021	0.001689	0.000439	0.006076	0.001948	0.000122	0.000400
2019	2020	0.001785	0.000464	0.006345	0.001933	0.000133	0.000400
2018	2019	0.001892	0.000491	0.005885	0.002025	0.000141	0.000400
2017	2018	0.001415	0.000344	0.006185	0.002238	0.000017	0.000400
2016	2017	0.001522	0.000370	0.006291	0.002639	0.000018	0.000400
2015	2016	0.001648	0.000401	0.007086	0.002819	0.000019	0.000405
2014	2015	0.001734	0.000422	0.006846	0.003036	0.000020	0.000422
2013	2014	0.001782	0.000434	0.007003	0.003180	0.000020	0.000446
2012	2013	0.001817	0.000442	0.006481	0.002793	0.000021	0.000455
2011	2012	0.001772	0.000431	0.006201	0.002696	0.000052	0.000436

Source: Utah State Tax Commission – Property Tax Division (www.taxrates.utah.gov)



SCHEDULE 8 - PROPERTY TAX LEVIED AND COLLECTIONS
Last Ten Fiscal Years

Tax Year	Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2020	2021	\$9,298,286	\$9,451,733	101.65%	-	\$9,451,733	101.65%
2019	2020	9,188,763	9,155,416	99.64%	130,699	9,286,115	101.06%
2018	2019	9,096,000	9,367,632	102.99%	217,571	9,585,203	105.38%
2017	2018	6,173,908	6,236,623	101.02%	224,403	6,461,026	104.65%
2016	2017	6,081,431	6,165,882	101.39%	131,872	6,297,754	103.56%
2015	2016	6,044,982	6,105,217	101.00%	163,324	6,268,541	103.70%
2014	2015	6,003,221	6,072,274	101.15%	105,774	6,178,048	102.91%
2013	2014	6,014,202	5,964,588	99.18%	117,299	6,081,886	101.13%
2012	2013	5,887,409	5,830,924	99.04%	142,786	5,973,710	101.47%
2011	2012	5,903,253	5,839,394	98.92%	133,644	5,973,038	101.18%

Source: Salt Lake County Treasurer

Note: Property tax collections may be higher than the amount levied and budgeted due to new growth and the collection of personal property tax.



SCHEDULE 9 - PRINCIPAL PROPERTY TAXPAYERS
For Years Ended June 30, 2021 and 2013

Taxpayer	Business Type	2021			Percentage of Total Taxable Value	2013			Percentage of Total Taxable Value
		Taxable Value	Rank			Taxable Value	Rank		
Fashion Place SA LLC	Retail	\$242,042,700	1	4.0%		\$97,824,500	1	3.1%	
IHC Health Services 5121 S Cottonwood	Office	91,519,840	2	1.5%		92,753,760	2	2.9%	
5300 Development LLC	Office	49,915,700	3	0.8%					
Sreit Avida, LLC	Housing	46,969,116	4	0.8%					
The Pointe @ 53rd LLC	Retail	38,112,900	5	0.6%		27,496,100	3	0.9%	
Mig Cobble Creek, Llc	Housing	35,622,510	6	0.6%		15,624,455	6	0.5%	
Stillwater Apartments	Housing	34,444,190	7	0.6%		18,858,510	4	0.6%	
Murray Crossing LLC	Housing	32,845,741	8	0.5%					
IHC Health Services 5383 S Green	Office	28,344,800	9	0.5%		16,991,460	5	0.5%	
Gelt Lake Pines, LLC	Housing	27,321,800	10	0.4%					
5300 South Center LLC	Office		16			13,870,800	7	0.4%	
IHC Health Services 5201 S Intermountain	Retail		26			13,280,500	8	0.4%	
Tio Milestone James Pointe	Housing		17			13,012,670	9	0.4%	
Roderick Enterprises	Retail		14			12,974,200	10	0.4%	
		<u>\$627,139,297</u>		<u>10.2%</u>		<u>\$322,686,955</u>		<u>10.2%</u>	

Source: Salt Lake County Assessor database (Murray City GIS system)

Notes: Annual amounts are shown only for the top ten ranked properties. 2013 is the oldest year values available in the City's database.



SCHEDULE 10 - PRINCIPAL SALES TAXPAYERS
For Years Ended June 30, 2021 and 2012

Taxpayer	2021		2012	
	Rank	Percentage of Total City Sales Taxes	Rank	Percentage of Total City Sales Taxes
Retail	1	7.11%	1	11.63%
Vehicle Sales	2	3.36%	4	4.34%
Vehicle Sales	3	2.55%		
Online Retail	4	2.45%		
Vehicle Sales	5	2.43%	6	2.95%
Vehicle Sales	6	2.33%		
Vehicle Sales	7	2.33%	9	2.44%
Vehicle Sales	8	2.24%		
Vehicle Sales	9	2.20%	12	2.25%
Retail	10	2.03%	7	2.83%
Vehicle Sales	11	1.95%	8	2.55%
Wholesale Trade	12	1.53%		
Retail	13	1.49%		
Retail	14	1.37%	2	5.07%
Retail	15	1.30%		
Retail	16	1.17%	10	2.42%
Vehicle Sales	17	1.15%	5	3.13%
Retail	18	1.12%	11	2.40%
Retail	19	1.07%	14	2.02%
Furnishings	20	1.06%	3	4.36%
Municipality			13	2.02%
Building Products			15	1.81%
 Total		 42.26%		 52.23%

Source: Utah State Tax Commission

Notes:

- Percentage based on direct point of sales tax collection
- Due to the confidential nature of sales tax, taxpayer industries have been published rather than taxpayer names.



SCHEDULE 11 – DIRECT AND OVERLAPPING SALES TAX RATES
Last Ten Fiscal Years

Fiscal Year	Direct Rate	Overlapping Rates	
	Total Murray City Direct	Salt Lake County	State of Utah
2021	1.20%	1.40%	4.85%
2020	1.20%	1.40%	4.85%
2019	1.20%	1.40%	4.85%
2018	1.20%	1.15%	4.70%
2017	1.20%	1.15%	4.70%
2016	1.20%	1.15%	4.70%
2015	1.00%	1.15%	4.70%
2014	1.00%	1.15%	4.70%
2013	1.00%	1.15%	4.70%
2012	1.00%	1.15%	4.70%

Source: Utah State Tax Commission – Sales Tax Division (www.taxrates.utah.gov)



SCHEDULE 12 – RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Revenue Bonds	Capital Leases	Revenue Bonds	Capital Leases			
2021	\$47,525,891	\$ -	\$15,293,472	\$ -	\$62,819,363	1.97%	\$1,241
2020	12,360,496	-	16,223,458	-	28,583,954	1.11%	584
2019	13,285,695	-	9,076,444	-	22,362,139	0.97%	454
2018	14,199,939	-	9,783,495	-	23,983,434	1.44%	519
2017	8,853,806	79,042	10,613,585	-	18,418,189	1.15%	403
2016	5,733,941	220,278	6,650,168	-	12,604,387	0.76%	273
2015	7,650,673	275,065	16,907,693	-	24,833,431	1.45%	540
2014	9,125,495	382,770	17,996,673	-	27,504,938	1.56%	588
2013	8,975,319	76,612	24,206,461	-	33,258,392	1.77%	698
2012	10,498,143	-	25,788,754	56,434	36,343,331	1.97%	759

Source: Per capita is linked to the Demographic and Economic Statistics table from this report.

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.



SCHEDULE 13 – DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt (2)(3)
Debt repaid with property taxes			
Murray City School District	\$29,355,000	100.00%	\$29,355,000
Salt Lake County General Obligation Debt	167,000,000	4.790%	7,999,300
Other debt			
Salt Lake County Sales Tax Bonds	150,200,000	4.27%	6,413,540
Salt Lake County Direct placement STR Bonds	44,500,000	4.27%	1,900,150
Salt Lake County Lease Revenue Bonds	67,000,000	4.27%	2,860,900
Salt Lake County Capital Leases	4,700,000	4.27%	200,690
Salt Lake County Transportation Rev. Bonds	76,200,000	4.27%	3,253,740
Salt Lake County Notes Payable	70,700,000	4.27%	3,018,890
Murray City Schools Lease Revenue Bonds	4,753,000	100.00%	4,753,000
Subtotal, overlapping debt			59,755,210
Murray City direct debt			47,525,891
Total direct and overlapping debt			<u><u>\$107,281,101</u></u>

Sources: Murray School District and Salt Lake County CAFR(s) for the latest available fiscal year (FY 2020)

References:

- (1) For *Debt repaid with property taxes* - the percentage of overlapping debt applicable to Murray City was estimated using taxable assessed property within Murray City divided by the Counties taxable assessed value. For *Other debt* - the percentage of overlapping debt is Murray City's population divided by Salt Lake Counties Population according to the 2010 Census.
- (2) Murray City School District's debt is as of their fiscal year end which is June 30.
- (3) Salt Lake County's debt is as of their fiscal year end which is December 31.

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



SCHEDULE 14 – LEGAL DEBT MARGIN

Last Ten Fiscal Years

(Amounts expressed in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt limit										
General (4% Fair Cash Value)	\$333,574	\$307,914	\$281,730	\$258,182	\$237,794	\$219,104	\$207,780	\$196,347	\$189,156	\$193,135
Water and Sewer (4% Fair Cash Value)	333,574	307,914	281,730	258,182	237,794	219,104	207,780	196,347	189,156	193,135
Total 8% Debt Limit	667,149	615,827	563,460	516,365	475,588	438,207	415,560	392,695	378,312	386,269
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$667,149</u>	<u>\$615,827</u>	<u>\$563,460</u>	<u>\$516,365</u>	<u>\$475,588</u>	<u>\$438,207</u>	<u>\$415,560</u>	<u>\$392,695</u>	<u>\$378,312</u>	<u>\$386,269</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Real Property Assessed Value	\$5,726,605									
Estimated Actual Real Taxable Value	\$8,339,358									
Debt Limit (8% of Reasonable Fair Cash Value)	667,149									
Debt Applicable to Limit:										
General Obligation Bonds	-									
Less: Amount Set Aside for Repayment of General Obligation Debt	-									
Total Net Debt Applicable to Limit	-									
Legal Debt Margin	<u>\$667,149</u>									

Source: Salt Lake County Auditor's Office

Note: The general obligation bonded debt of the City is limited by the Utah Constitution (Section 14, Paragraph 4) to 8% of the "reasonable fair cash value" of property. Of this percent, a maximum of 4% may be used for general purposes. The remaining 4% and any used portion of the 4% available for general purposes up to the maximum 8% may be utilized for water and/or sewer purposes.



SCHEDULE 15 – PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

Sales Tax Revenue Bonds						
Fiscal Year	Sales Tax Revenue	Debt Service				
		Principal	Interest	Coverage		
2021	\$25,403,224	\$815,000	\$438,563	20.26		
2020	22,326,561	790,000	471,646	17.70		
2019	20,769,082	771,000	495,615	16.40		
2018	20,095,999	587,000	388,185	20.61		
2017	19,227,686	1,208,000	345,905	12.37		
2016	17,407,444	1,190,000	268,588	11.93		
2015	14,024,199	1,457,000	324,591	7.87		
2014	13,461,012	1,175,000	348,051	8.84		
2013	12,821,666	1,505,000	395,651	6.75		
2012	12,613,871	1,485,000	449,301	6.52		

Lease Revenue Bonds						
Fiscal Year	Lease Revenue (1)	Debt Service				
		Principal	Interest	Coverage		
2021	\$ -	\$ -	\$650,552			

Electric Revenue Bonds							
Fiscal Year	Utility Revenues(2)	Less Utility Expenses(3)	Total Available Revenue	Debt Service			
				Principal	Interest	Coverage	
2021	\$37,263,944	\$33,985,982	\$3,277,962	\$ -	\$ -	N/A	
2020	37,048,593	29,695,742	7,352,851	-	-	N/A	
2019	38,861,244	28,553,802	10,307,442	-	-	N/A	
2018	37,850,825	29,082,372	8,768,453	-	-	N/A	
2017	37,559,853	32,080,323	5,479,530	-	-	N/A	
2016	38,459,911	32,429,067	6,030,844	1,250,000	345,319	3.78	
2015	37,093,425	29,186,348	7,907,077	1,200,000	405,319	4.93	
2014	37,749,228	28,785,495	8,963,733	1,545,000	588,208	4.20	
2013	38,215,546	26,585,169	11,630,377	1,505,000	763,671	5.13	
2012	37,868,196	27,374,850	10,493,346	1,360,000	946,684	4.55	

Water and Sewer Revenue Bonds							
Fiscal Year	Utility Revenues(2)	Less Utility Expenses(3)	Total Available Revenue	Debt Service			
				Principal	Interest	Coverage	
2021	\$13,943,150	\$8,380,527	\$5,562,623	\$677,000	\$132,992	6.87	
2020	13,845,744	8,747,417	5,098,327	659,000	115,811	6.58	
2019	12,724,225	7,645,759	5,078,466	641,000	132,422	6.57	
2018	10,604,268	9,786,436	817,832	627,000	148,613	1.05	
2017	10,783,806	8,392,047	2,391,759	610,000	136,681	3.20	
2016	10,451,769	6,215,077	4,236,692	600,000	152,102	5.63	
2015	9,916,952	5,969,386	3,947,566	169,000	149,697	12.39	
2014	9,910,178	5,703,286	4,206,892	557,000	178,361	5.72	
2013	10,196,682	5,736,136	4,460,546	440,000	160,730	7.43	
2012	10,860,873	5,570,615	5,290,258	361,000	286,834	8.17	

References:

- (1) Lease revenue will not be received until construction is complete and the building is occupied. During construction the interest expense is being paid with bond proceeds.
- (2) Revenues include operating and non-operating revenues.
- (3) Expenses exclusive of depreciation, amortization, loss in joint venture, interest expense, and in lieu of tax transfers.

Note: Details regarding City's outstanding debt can be found in the Notes to the Financial Statements.



SCHEDULE 15 – PLEDGED-REVENUE COVERAGE (continued)
Last Ten Fiscal Years

Fiscal Year	Storm Water Revenue Bonds					
	Utility Revenues(2)	Less Utility Expenses(3)	Total Available Revenue	Debt Service		
				Principal	Interest	Coverage
2021	\$2,371,403	\$1,426,508	\$944,895	\$240,000	\$131,935	2.54
2020	1,947,820	1,531,935	415,885	235,000	141,892	1.10
2019	2,028,265	1,259,925	768,340	225,000	148,592	2.06
2018	1,926,619	1,172,735	753,884	220,000	154,042	2.02
2017	1,636,905	1,070,743	566,162	220,000	77,141	1.91
2016	1,647,997	1,013,897	634,100	215,000	70,992	2.22
2015	1,627,702	1,167,331	460,371	210,000	71,576	1.63
2014	1,890,901	968,255	922,646	210,000	66,391	3.34
2013	1,780,378	672,396	1,107,982	-	-	N/A

References:

(2) Revenues include operating and non-operating revenues.
 (3) Expenses exclusive of depreciation, amortization, loss in joint venture, interest expense, and in lieu of tax transfers.

Note: Details regarding City's outstanding debt can be found in the Notes to the Financial Statements.



SCHEDULE 16 – DEMOGRAPHIC AND ECONOMIC STATISTICS

Year	Population(1)	Personal Income	Per Capita Personal Income(2)	Unemployment Rate(3)
2021	50,637	\$3,185,320,485	\$62,905	2.5%
2020	48,917	2,574,941,963	52,639	6.5%
2019	49,308	2,305,740,696	46,762	2.8%
2018	49,295	2,387,406,145	48,431	3.0%
2017	49,203	2,302,946,415	46,805	3.2%
2016	49,165	2,155,196,940	43,836	3.5%
2015	48,822	2,099,883,042	43,011	3.3%
2014	48,612	2,073,933,756	42,535	3.5%
2013	48,263	1,980,616,994	41,269	4.3%
2012	47,632	1,880,273,200	40,623	5.7%

Sources:

- (1) United States Census Bureau
- (2) U.S. Department of Commerce, Bureau of Economic Analysis for Salt Lake County/City
- (3) Utah Department of Workforce Services for Salt Lake County



SCHEDULE 17 – PRINCIPAL EMPLOYERS
For Years Ended June 30, 2021 and 2012

Employer	Industry Type	2021		2012	
		Rank	Employees	Rank	Employees
Intermountain Medical Center	Health Care Hospital	1	6999*	1	4463
SelectHealth	Health Care- Insurance	T-2	1999*	4	800
Sutter Health	Health Care	T-2	1999*		
Murray City School District	Public Education	4	1200	2	861
IHC Health Services - TOSH	Health Care - Hospital	5	999*	5	757
Murray City Corporation	City Government	6	637	3	828
IHC Health Services	Health Care- Medical Lab	7	378		
Costco Wholesale Corp	Retailer	8	368	8	309
3M Health Information Systems	Data Processing Services	9	350	7	377
Nordstrom, Inc.	Retailer	10	301	9	303

Source: Murray City Business Licensing, Murray City School District, and Dept of Workforce Services

*Note: Workforce Services provides a range of employees. In the circumstance that the exact number of employees was not available from Murray City business licensing, the top of the range provided by Workforce Services was used.



SCHEDULE 18 – FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function/Program	Full Time Equivalent Employees as of June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government	63	60	57	68	64	63	63	62	61	61
Police										
Officers	79	80	83	76	78	76	72	70	74	73
Civilians	11	11	8	9	9	11	12	11	12	10
Fire										
Firefighters	63	62	59	63	62	63	59	55	59	58
Civilians	2	2	2	1	1	1	1	1	1	1
Highways & Public Improvements	21	30	31	28	29	27	28	27	27	28
Parks & Recreation	43	35	37	35	38	35	35	34	33	33
Library	10	11	9	11	12	11	11	12	10	11
Community & Economic Development	14	7	7	6	6	7	7	7	6	6
Central Garage	4	4	4	4	4	4	4	4	4	4
Power	46	47	46	46	45	46	46	46	46	46
Water	21	21	18	17	17	17	17	17	16	16
Wastewater	9	8	7	8	8	7	8	7	8	8
Golf Course	6	6	6	6	7	7	7	7	7	7
Solid Waste	2	2	2	2	2	1	0	0	0	0
Storm Water	9	8	7	8	8	7	8	7	7	7
Total Full Time Equivalent Employees	403	394	383	388	390	378	367	371	369	389
Seasonal (Part Time) Employees	234	166	315	305	332	424	385	426	477	459
Total Employees	637	560	698	693	722	802	752	797	846	848

Source – Murray City Payroll System



SCHEDULE 19 – OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
Physical arrests	598	478	1,733	2,997	1,897	3,602	1,899	2,175	3,752	2,436
Traffic citations	2,411	1,951	5,383	9,378	7,438	5,242	5,615	8,231	5,508	6,847
Fire calls	1,245	1,203	1,282	1,458	1,381	1,354	1,260	1,156	1,194	1,622
Medical calls	4,955	4,856	4,934	5,339	5,125	4,842	4,313	4,117	4,177	3,515
Inspections (1)	883	1,799	1,633	1,249	1,553	1,399	1,149	1,694	1,448	1,673
Parks & recreation (1)										
Park center admissions	30,600	34,393	45,636	42,255	39,164	36,211	33,536	34,839	29,839	35,691
Outdoor pool admissions	20,260	29,333	31,364	N/A						
Recreation participants	16,569	9,916	15,200	16,730	17,583	17,604	15,777	13,768	13,089	14,219
Heritage Center (1)										
Participants	616	1,375	1,627	1,525	1,478	1,734	1,947	1,993	1,871	1,941
Activity Participation	15,816	53,530	73,045	71,712	73,752	76,841	76,098	76,330	76,607	81,212
Library (1)										
Volumes in collection	81,005	61,899	91,001	69,477	71,133	75,914	78,759	74,971	69,734	77,069
Total volumes borrowed	203,248	332,472	461,920	475,394	499,292	548,060	611,149	611,633	572,997	568,372
Visitors	7,862	218,277	317,717	346,685	371,330	395,481	425,507	357,461	N/A	N/A
Water										
Customers Residential	9,031	9,064	8,929	8,912	8,858	8,761	8,716	8,674	8,644	8,611
Customers Commercial	1,436	1,551	1,527	1,516	1,493	1,389	1,372	1,360	1,353	1,345
Annual consumption (in millions of gallons)	3,001	3,976	3,206	2,834	2,827	2,758	2,583	3,066	3,018	2,841
Wastewater										
Customers Residential	8,563	8,600	8,520	8,450	8,419	8,376	8,334	8,300	8,173	8,147
Customers Commercial	1,081	1,203	1,196	1,187	1,171	1,163	1,150	1,141	1,058	1,047
Power										
Customers Residential	16,211	15,426	15,098	14,819	14,651	14,688	14,573	14,429	14,209	13,619
Customers Commercial	3,247	3,381	3,066	3,247	3,204	3,179	3,193	3,149	3,147	3,125
Peak demand (KW)	98,206	100,105	102,938	102,290	103,053	102,460	107,120	103,478	101,838	98,100
Internal generation (MWH)	8,651	13,531	14,691	9,845	11,457	13,846	17,913	18,096	9,465	19,523
Purchased power (MWH)	406,019	390,797	396,363	410,237	415,474	416,299	410,606	407,148	426,388	419,388

Source – The applicable departments of Murray City

N/A Data unavailable



SCHEDULE 20 – CAPITAL ASSETS BY FUNCTION
Last Ten Fiscal Years

Function/Program	Fiscal Year Ending June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	43	43	43	43	44	43	42	39	40	40
Public works										
Streets(miles)	151	151	150	148	148	147	147	147	147	147
Streetlights	2,946	2,739	2,739	2,754	2,711	2,701	2,669	2,670	2,639	2,608
Streetlights - LED	131	76	76	-	-	-	-	-	-	-
Parks & recreation										
Acreage	254	254	254	254	252	252	252	252	252	252
Parks	12	12	12	11	10	10	10	10	10	10
Golf courses	2	2	2	2	2	2	2	2	2	2
Recreation centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains(miles)	194	193	193	197	199	198	197	197	197	197
Wastewater										
Sanitary sewers(miles)	134	133	133	131	132	129	128	127	127	127
Power										
Generators	5	5	5	5	5	5	5	5	5	5
Substations	6	6	6	6	6	6	6	6	6	6

Source- Murray City GIS

Notes: The decrease in FY 2018 of water lines was the result of a reconstruction project in 2018 where two smaller lines were replaced with one larger one. The decrease in FY 2018 of sewer lines was due to remapping of the system and removing lines that were within the City boundaries but not owned by the City.

COMPLIANCE SECTION



For Fiscal Year Ended June 30, 2021



COMMITTED. EXPERIENCED. TRUSTED

**CERTIFIED PUBLIC
ACCOUNTANTS**

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA
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JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
SHAWN F. MARTIN, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and Members of City Council
Murray City Corporation, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Murray City Corporation, Utah (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 2, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HBMC, LLC

December 2, 2021



COMMITTED. EXPERIENCED. TRUSTED

**CERTIFIED PUBLIC
ACCOUNTANTS**

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA
MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
SHAWN F. MARTIN, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE STATE *COMPLIANCE AUDIT GUIDE***

Honorable Mayor and Members of the City Council
Murray City Corporation, Utah

Report On Compliance

We have audited Murray City Corporation's (the City) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2021.

State compliance requirements were tested for the year ended June 30, 2021 in the following areas:

Budgetary Compliance
Fund Balance
Justice Courts
Restricted Taxes and Related Restricted Revenues
Fraud Risk Assessment
Government Fees
Enterprise Fund Transfers, Reimbursements, Loans, and Services
Tax Levy Revenue Recognition

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on Compliance

In our opinion, Murray City Corporation complied, in all material respects, with the state compliance requirements referred for the year ended June 30, 2021.

Other Matters

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

Report On Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of This Report

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

ABME, LLC

December 2, 2021