

ACFR

Fiscal
Year
Ending

30

June 2023

Annual Comprehensive Financial Report

MURRAY CITY, UTAH

Photo: Murray City Hall



Brett A. Hales, Mayor
www.murray.utah.gov

Annual Comprehensive Financial Report

For Fiscal Year Ended June 30, 2023

Murray City Finance Department

Brenda Moore, CPA - Director of Finance & Administration
Emily Barton – Controller
Scott Wells – Senior Accountant
Robyn Hershgold – Payroll Coordinator
Jennifer Erickson – Accounts Payable Technician



**MURRAY CITY CORPORATION
UTAH**



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INTRODUCTORY SECTION



For Fiscal Year Ended June 30, 2023



November 14, 2023

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, 2023, 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 (GASB).

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, 2023, 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 did not receive enough federal funding, without ARPA grants, to be 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). The City did receive a \$2,894,678 grant from the American Rescue Plan Act (ARPA) as part of the Coronavirus State & Local Fiscal Recovery Fund (CSLFRF). This award requires an attestation engagement by the City auditors to verify the funds were spent in accordance with the grant rules. The attestation report will be issued 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 49,738. 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, and a 6% franchise tax on energy, telecommunications and cable TV 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 Redevelopment Agency of Murray City, the Municipal Building Authority of Murray City, the Library Fund, 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 2023 Economic Report to the Governor, the Utah economy while strong faced economic uncertainty in 2023. The State unemployment rate remained historically low hovering around 2%. This results in a tight labor market which hinders the state economic growth as open jobs are unfilled and some firms struggle to meet high consumer demand. The City has experienced this in fewer applications being received for open positions and some positions remaining unfilled for extended periods of time.

Utah's population grew by 61,242 to reach 3.404 million in 2022, according to estimates prepared by the Utah Population Committee. About 62 percent of this growth came from net in-migration as people moved to the state to take advantage of economic opportunity.

The State of Utah's 2023 Economic Report to the Governor listed 3 plausible scenarios for the Utah economy in 2023. The 3 scenarios are as follows: (1) 2% to 4% continuing growth, (2) -1% to 1% shallow recession, or (3) 0% to 2% decelerating growth. It appears as of June, that the state is experiencing decelerating growth, inflation is moderating, interest rates are increasing but at a slower rate, and households are increasing spending but at a lower rate than the previous year.

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. The environmental cleanup of this site has been slow but should be complete by the end of calendar 2023.

Where feasible the City is committed to preserving historic structures. Renovations are underway at the Cahoon mansion and Murray Theater. The mansion will become a museum focusing on Murray history. The Murray Theater will again be a place to watch live entertainment.

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. Annually, as part of the budget process, the Mayor and City Department heads work together to allocate the CIP funds available. This initial CIP fund allocation is presented to the City Council as part of the Mayor's budget. The City Council then may make changes and the CIP fund budget is passed as part of the City's overall budget. 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the forty-second consecutive year that the City has achieved this prestigious award. In order for an annual comprehensive 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 annual comprehensive 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.

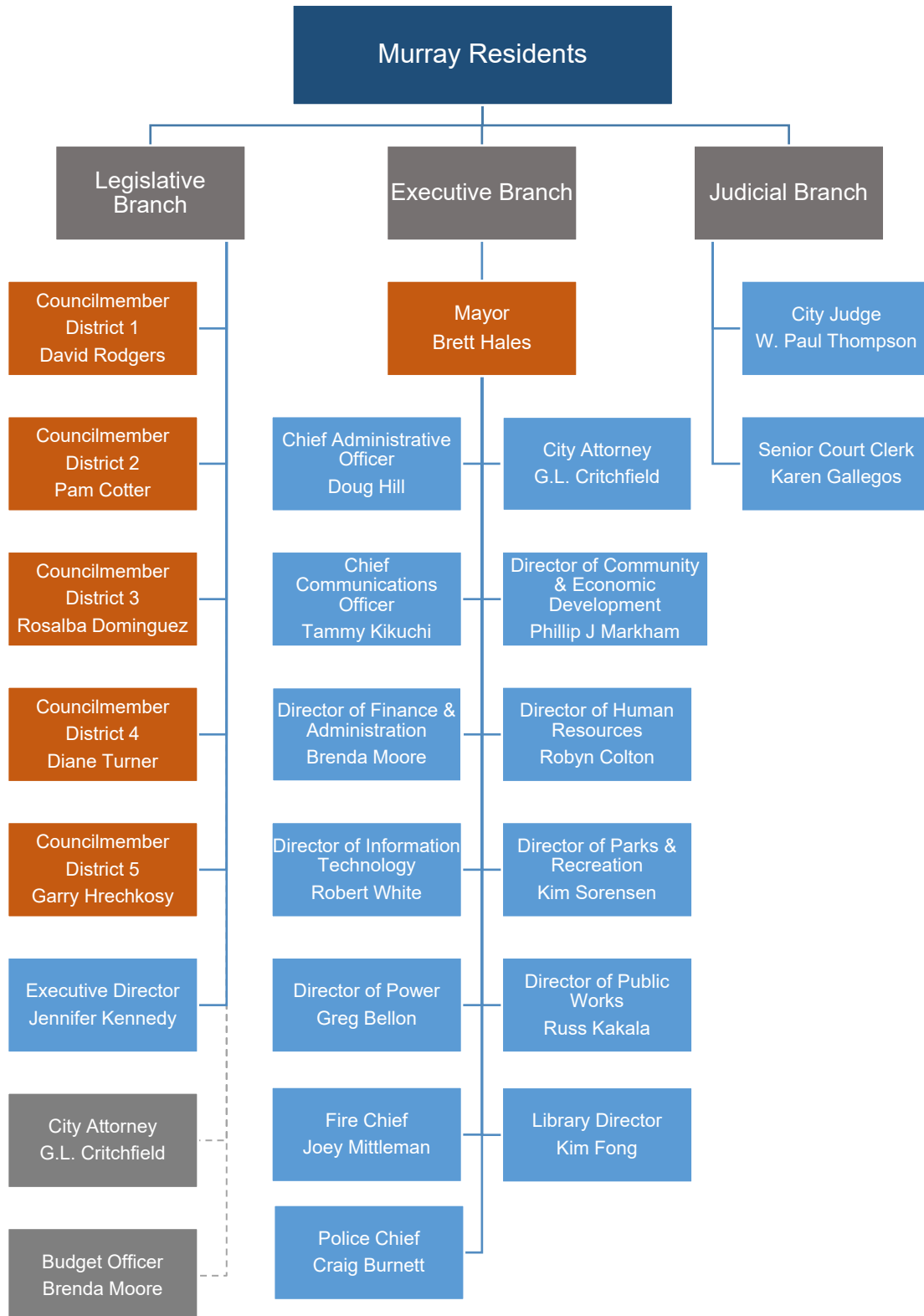
Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brenda Moore".

Brenda Moore, CPA
Finance & Administration Director



ORGANIZATIONAL CHART





ELECTED OFFICIALS AND ADMINISTRATION

Elected Officials

Mayor Brett Hales
Councilmember – District 1 David Rodgers
Councilmember – District 2 Pam Cotter
Councilmember – District 3 Rosalba Dominguez
Councilmember – District 4 Diane Turner
Councilmember – District 5 Garry Hrechkosy

Appointed by Mayor and Council

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

Executive Team

Mayor Brett Hales
Chief Administrative Officer Doug Hill
City Attorney G.L Critchfield
Chief Communications Officer Tammy Kikuchi
Director of Community & Economic Development Phillip J Markham
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 Russ Kakala
Fire Chief Joey Mittleman
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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

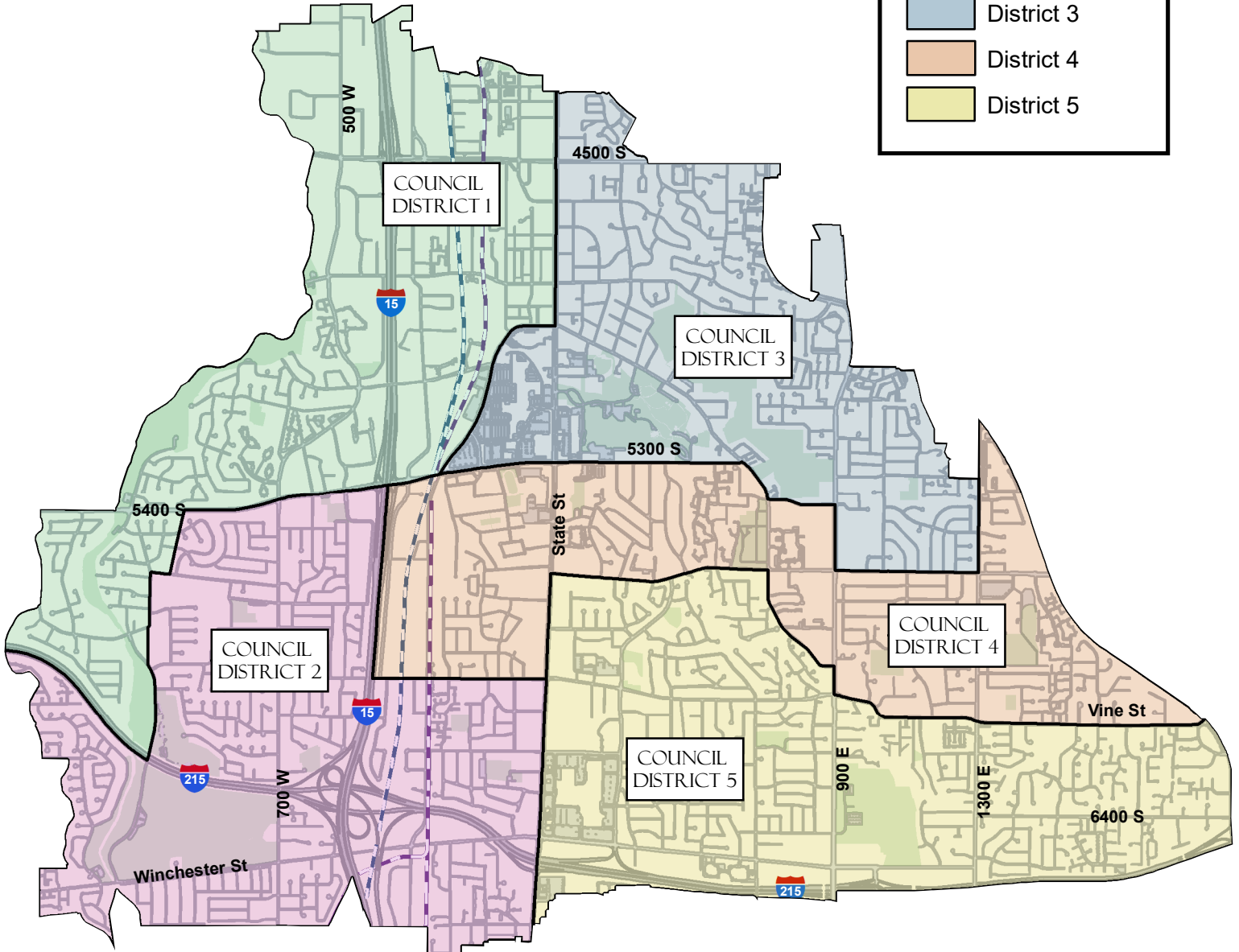
June 30, 2022

Christopher P. Morill

Executive Director/CEO

Murray City Council Districts

- District 1
- District 2
- District 3
- District 4
- District 5



MURRAY
CITY
COUNCIL

© Copyright 2022, Murray City
Map Disclaimer:
<http://www.murray.utah.gov/1609>
The above information while not
guaranteed has been secured from
sources deemed reliable.

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Miles

MURRAY CITY COUNCIL DISTRICTS

MURRAY CITY GIS DIVISION

4646 SOUTH 500 WEST
MURRAY, UTAH 84123
2022-FCN-001 || 11/3/2022



FINANCIAL SECTION



For Fiscal Year Ended June 30, 2023



COMMITTED. EXPERIENCED. TRUSTED.

INDEPENDENT AUDITOR'S REPORT

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
JESSE S. MALMROSE, EA

SHAWN F. MARTIN, CPA
MONTANA T. HADLEY, CPA
NATHAN E. ERICKSON, EA

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, 2023, 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, 2023, 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.

FOUNDERS

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 November 9, 2023 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.

HBME, LLC

November 9, 2023



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, 2023. Readers are encouraged to consider the information presented here in conjunction with the additional information furnished in the Letter of Transmittal.

FINANCIAL HIGHLIGHTS

- The Utah economy continues to be strong despite the challenges of labor shortages, construction slowdowns, high interest rates, and inflation. Sales tax receipt growth slowed from the double digits of the last two years to 1.1% this year. Taxable sales throughout the state of Utah were 5.6% higher than the previous year. Taxable sales by Murray businesses were up 1.76% from the previous year. Removing ARPA grant receipts and bond proceeds from the previous year, General Fund revenue was \$2.7 million (5%) higher than in FY2022, of this, \$1.7 million was from a property tax increase, \$330,132 was from sales tax and \$663,656 was from interest income. This, combined with conservative spending by all City departments, allowed the General Fund to transfer \$6.3 million dollars more than the original budget to the Capital Projects Fund.
- The City received a \$2,894,678 grant from the American Rescue Plan Act (ARPA) as part of the Coronavirus State & Local Fiscal Recovery Fund Act (CSLFRF). The City has claimed the lost revenue exemption under the ARPA guidelines.
- The City, across all funds, received \$4.1 million dollars of investment revenue. This is a \$3.9 million dollar increase over the previous fiscal year.
- In June of 2023, the City police department and administrative functions moved into a new Murray City Hall. The approximately 85,000 square foot building allows all city administration functions to be in the same building and provides the police department a modern facility to better serve the citizens. Despite challenges due to the COVID-19 pandemic and general inflation the facility came in at budget.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of FY2023 by \$325,656,078 (net position). Of this amount, \$113,198,747 (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 \$10,460,634. Of this increase, \$17,026,612 (162.8%) is attributable to governmental activities and a decrease of (\$6,565,978) (-62.8%) is attributable to business-type activities. The increase for governmental activities can be attributed to a combination of several factors – the receipt of \$918,974 of donated infrastructure, \$2,894,678 of ARPA grant proceeds, pension liability, asset, deferred inflow and outflow changes of \$2 million, park impact fees collected but not spent of \$2.3 million and various fund revenues exceeding expenses by \$8 million. The decrease for business-type activities was due to a decrease in the Power Fund of (\$12) million, all other business activities had fund balance increases totaling \$5.4 million. The Power Fund decrease was due to an unprecedented high cost of purchased power in November through January. The City received \$1,981,403 of donated infrastructure, \$918,974 in governmental activities (5% of net position increase), and \$1,062,429 in business-type activities (without the donated assets the decrease in net position would have been 7.1% more).



FINANCIAL HIGHLIGHTS (continued)

- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,724,673 or 25.9% of General Fund revenues. The General Fund's net change of fund balance was an increase of \$2,857,444. 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 approximately 25% as 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) decreased by \$2,946,324 or 4.52%. This is due to normal bond payment activity. No new bonds were issued during the year.

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 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, 2023, the City's combined governmental fund balance is \$72,370,602. Of this balance, \$87,772 (.12%) is nonspendable, \$12,445,666 (17.2%) is restricted, \$1,477,747 (2.04%) is committed, \$42,634,744 (58.91%) is assigned, and \$15,724,673 (21.73%) is unassigned. Fund balance decreased (\$6,135,700) from the prior fiscal year. The MBA Fund decreased (\$14,157,2884) due to construction activities on the new city hall. The Library Fund balance increased by \$839,672 as they continue saving for a new building. The General Fund balance increased by \$2,857,444 due to sales tax receipt increases. The Redevelopment Agency Fund balance increased by \$2,117,150, due to decreased spending within the redevelopment areas. The Capital Projects Fund increased by \$2,134,554 due to the receipt of impact fees of \$2,344,240.



FUND FINANCIAL STATEMENTS (continued)

A. Governmental Funds (continued)

Additional details regarding governmental fund balances can be found in Note 1 on page 54 and Note 18 on page 94 of this report.

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, MBA, 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 budget to actual comparison for the nonmajor governmental fund, 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 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Current and other assets	\$102,902,255	\$107,474,422	\$55,619,617	\$65,498,749	\$158,521,872	\$172,973,171
Pension asset	2,394,348	13,145,688	-	4,353,538	2,394,348	17,499,226
Capital assets	182,779,297	164,580,226	83,545,820	81,734,787	266,325,117	246,315,013
Total assets	288,075,900	285,200,336	139,165,437	151,587,074	427,241,337	436,787,410
Total deferred outflows of resources	6,648,229	4,799,460	2,045,680	1,456,093	8,693,909	6,255,553
Long-term liabilities	49,347,687	51,486,497	12,857,638	13,665,152	62,205,325	65,151,649
Net pension liability	4,789,103	-	1,249,016	-	6,038,119	-
Other liabilities	14,026,215	13,295,582	8,871,873	9,161,619	22,898,088	22,457,201
Total liabilities	68,163,005	64,782,079	22,978,527	22,826,771	91,141,532	87,608,850
Total deferred inflows of resources	19,079,141	34,762,346	58,495	5,476,323	19,137,636	40,238,669
Net position:						
Net investment in capital assets	133,392,297	133,035,778	69,400,946	67,446,619	202,793,243	200,482,397
Restricted	7,666,508	4,823,725	272,671	263,321	7,939,179	5,087,046
Unrestricted	66,423,178	52,595,868	48,500,478	57,030,133	114,923,656	109,626,001
Total net position	\$207,481,983	\$190,455,371	\$118,174,095	\$124,740,073	\$325,656,078	\$315,195,444



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 \$325,656,078 as of June 30, 2023. This is an increase of \$10,460,634 from the previous fiscal year.

As of June 30, 2023, the City was able to report positive balances in all three categories of net position – government-wide as a whole, as well as for its separate governmental activities and business-type activities.

All funds, excepted as noted above, reported positive fund balances for all categories of net position/fund balances.

- *Net Investment in Capital Assets* - By far the largest portion of the City's net position (62.27%) 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, Class C road funds in the General Fund and transportation sales tax and park impact fees received and not spent in FY2023 in the Capital Projects 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, Capital Projects Fund, RDA Fund, and Library Fund. The construction activities of the Municipal Building Authority Fund during the year moved unrestricted fund balance to net investment in capital assets. The business-type activities of the City had a decrease in unrestricted net position due to the increase in cost of purchasing power which was mitigated by increases in water, wastewater and stormwater fees and careful spending. These changes will be discussed in the following section.

Due to increased revenue for the second year in a row, the Parkway Fund's unrestricted net position has remained positive. The City will continue to monitor the Fund to ensure the net position stays positive.

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



GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The following table summarizes the City's operations:

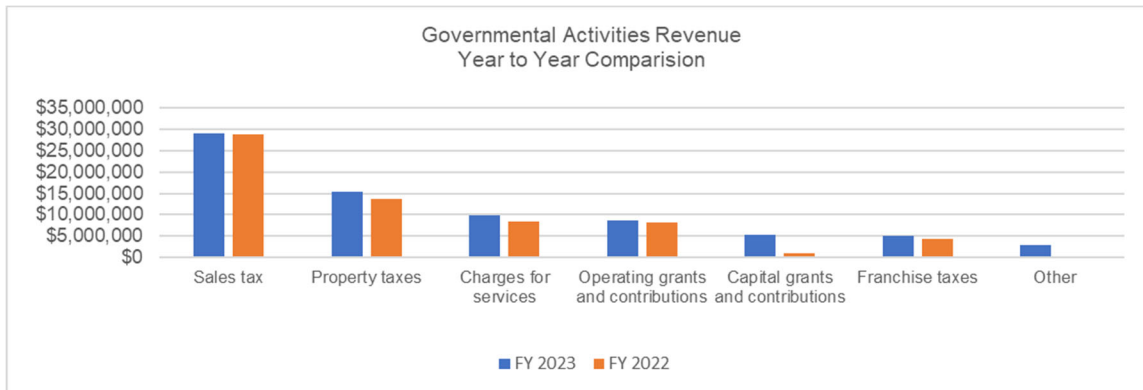
	Governmental Activities		Business-type Activities		Total	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Revenues						
Program revenues						
Charges for services	\$ 9,893,894	\$ 8,511,626	\$ 59,828,654	\$ 55,385,706	\$ 69,722,548	\$ 63,897,332
Operating grants and contributions	8,751,637	8,101,547	-	1,176,670	8,751,637	9,278,217
Capital grants and contributions	5,360,877	1,056,052	1,910,183	2,096,126	7,271,060	3,152,178
General revenues						
Sales tax	29,169,548	28,839,416	-	-	29,169,548	28,839,416
Property taxes	15,415,401	13,736,766	-	-	15,415,401	13,736,766
Franchise taxes	4,961,592	4,443,451	-	-	4,961,592	4,443,451
Investment income	2,820,950	46,311	1,345,835	150,405	4,166,785	196,716
Equity Investment income	-	-	892,362	642,160	892,362	642,160
Gain on disposal of assets	7,766	57,095	16,000	59,470	23,766	116,565
Miscellaneous	157,080	219,121	-	-	157,080	219,121
Total revenues	76,538,745	65,011,385	63,993,034	59,510,537	140,531,779	124,521,922
Expenses						
General government	10,192,818	7,197,646	-	-	10,192,818	7,197,646
Public safety	27,454,189	24,473,193	-	-	27,454,189	24,473,193
Highways & public improvements	12,165,235	8,863,879	-	-	12,165,235	8,863,879
Parks, recreation, and culture	12,081,336	9,674,989	-	-	12,081,336	9,674,989
Debt service - interest and fiscal charges	1,452,910	1,488,184	-	-	1,452,910	1,488,184
Water	-	-	6,161,847	5,411,973	6,161,847	5,411,973
Wastewater	-	-	6,614,384	5,714,670	6,614,384	5,714,670
Power	-	-	47,747,546	34,732,941	47,747,546	34,732,941
Murray Parkway	-	-	1,694,369	1,424,395	1,694,369	1,424,395
Telecommunications	-	-	43,614	56,296	43,614	56,296
Solid waste	-	-	2,200,370	2,106,038	2,200,370	2,106,038
Storm water	-	-	2,262,527	1,977,554	2,262,527	1,977,554
Total expenses	63,346,488	51,697,891	66,724,657	51,423,867	130,071,145	103,121,758
Increase (decrease) in net position before transfers	13,192,257	13,313,494	(2,731,623)	8,086,670	10,460,634	21,400,164
Transfers - net	3,834,355	3,590,948	(3,834,355)	(3,590,948)	-	-
Increase (decrease) in net position	17,026,612	16,904,442	(6,565,978)	4,495,722	10,460,634	21,400,164
Net position at beginning of year	190,455,371	173,550,929	124,740,073	120,244,351	315,195,444	293,795,280
Net position at end of year	\$ 207,481,983	\$ 190,455,371	\$ 118,174,095	\$ 124,740,073	\$ 325,656,078	\$ 315,195,444

Governmental Activities – Governmental activities increased the City's net position by \$17,026,612, which is \$122,170 more than the prior year. Key elements affecting this increase in governmental activities net position are as follows:

- Total governmental activities revenue increased by \$11,527,360 from the prior year. Capital grants and contributions increased \$4.3 million, due to an ARPA grant of \$2.9 million, developer donations of \$918,974, and state and county grants of \$804,767 for arts and recreation projects. Property tax increased \$1.6 million due to a 15% property tax levy increase. Investment income increased \$2.7 million due to rising interest rates and charges for services increased \$1.4 million as activities continued to return to a more normal level from COVID-19.



GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)



- Expenses for governmental activities increased by \$11.6 million. Personnel costs increased 8.5% from the previous year. The cost of operations increased due to inflation along with increased street maintenance activity in the Capital Project Fund.

Business-type Activities – Business-type activities decreased the City's net position by (\$6,565,978). Key elements affecting this change in business-type net position are as follows:

- In the Power Fund, the cost of purchased power increased \$12.2 million. This was due to unprecedented high cost of purchased power and natural gas from November - January, followed by a stabilization of prices which were still higher than in previous years. Some capital projects were temporarily postponed, and a rate study was done. A 3-year rate increase schedule was implemented effective August 1, 2023, which better aligns revenue with costs. The Power Fund had a healthy reserve which allowed them to absorb the increased costs.
- Total business-type activities operating revenue increased from the prior year, which included increases in all funds. The increases were due to increased revenue in Power due to a hot summer and increased water revenues were a result of less drought fears after a very wet winter increasing usage. Rate increases in the Wastewater Fund and Storm Water Fund increased their revenues. Business-type activities also received \$1,062,429 in donated assets from developers.
- Total business-type activities expense increased by approximately \$15.3 million from the prior year. Personnel costs increased \$2.9 million. Wages and benefits paid to employees increased due to cost-of-living adjustment of 7%, step plan adjustments, and increased health insurance costs. As discussed above, Power operations & maintenance increased by \$12.2 million and operations & maintenance in all other funds increased \$341,207 due to normal operating fluctuations.



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 \$9,702,024. Other financing sources and uses include transfers from Water, Wastewater, and Power Enterprise Funds of \$4.1 million and the RDA Fund of \$317,900. Transfers totaling \$10,895,306 to the Capital Projects Fund were completed during the fiscal year. These transfers were made up of \$2.9 million of local option sales tax, \$2 million of sales tax dedicated to transportation projects, \$2.9 million from ARPA funding received, and \$3.1 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 was allocated \$2,894,678 of ARPA grants. The General Fund reported all of the ARPA funds, which was used for infrastructure projects and operational costs for governmental programs and activities.

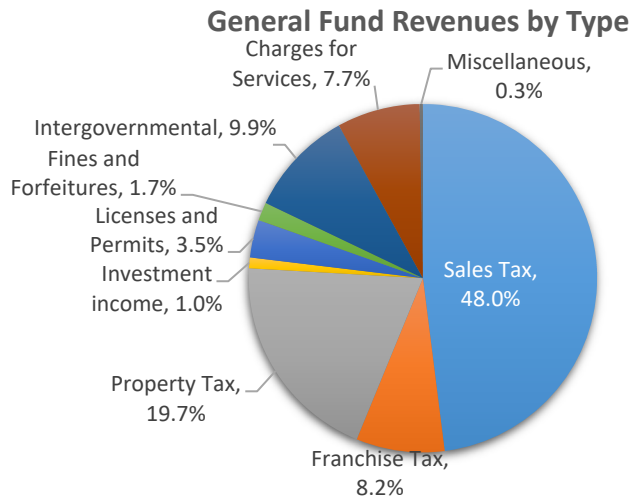
In addition to the transfer to the Capital Projects Fund, the General Fund transferred \$60,000 to the Murray Parkway Fund to subsidize operations and \$325,000 to the RDA Fund as a payment for the purchase of land for city hall.

Taxes continue to be the largest source of revenue in the General Fund and represent 75.9% of total General Fund revenues. The largest component of tax revenue is sales tax, which represents 63.33% of total tax revenues and 48% of total General Fund revenues. This compares with 51.6% of total General Fund revenues in the prior fiscal year. Sales tax collections increased 1.1% over the previous fiscal year. The percentage of sales tax to all General Fund revenues decreased in FY2023 due to a 15% property tax levy increase which increased property tax collections \$1.7 million and Property tax to 19.7% of total General Fund revenues, up from 18.3% in FY2022.



FUND ANALYSIS (continued)

A. Governmental Funds (Continued)



Intergovernmental revenue increased due to recognizing more in federal funds authorized to assist municipalities in their response to the COVID-19 pandemic. In FY2022, the General Fund reported \$894,678 in this type of funding, while it reported \$2,894,678 in FY2023. In Fiscal year 2022, the City reported the additional 2 million in two enterprise funds for their project support.

General Fund expenditures increased \$6,129,093 during FY2023 to \$50,967,932 from \$44,838,842 in 2022. Personnel costs increased \$2,704,313 (8%) due to a city wide 7% COLA adjustment, step plan salary increases, and health insurance increases. The City made the first debt payment on city hall of \$1,825,818. The new building was completed and occupied in June of 2023. Other cost increases of \$1,598,959 were due to increased costs for snow plowing and salt, parks and recreation returning to a full slate of summer arts and recreation programs, 911 dispatch service increases along with many other cost increases due to inflation.

Capital Projects Fund

The Capital Projects Fund had a fund balance at the end of the year in the amount of \$37,877,239, which is above the fund balance of the previous year. The Capital Projects Fund received transfers totaling \$10.89 million dollars from the General Fund, \$2 million of which is dedicated to transportation related projects, with the remaining \$8.89 million intended to support future infrastructure, capital asset acquisitions, and maintenance costs. Due to rising interest rates the fund received investment earnings of \$1.3 million.

Expenditures increased from \$6.7 million in FY2022 to \$13.1 million in FY2023. Vehicles and equipment which were ordered in FY2021 and FY2022 finally arrived in FY2023. The City spent \$3.6 million on road maintenance and reconstruction, and \$3 million to renovate the Murray Theater and Murray Mansion. The City continues to allocate Capital Project funds among all departments, thus ensuring city facilities and equipment will be able to be maintained and serve the citizens for years to come.



FUND ANALYSIS (continued)

A. Governmental Funds (Continued)

Municipal Building Authority Fund

The Municipal Building Authority of Murray City (MBA) completed the building of the new city hall and city personnel moved to the building in June 2023. This year the MBA spent \$14,327,900 on construction. It received the first lease payment \$1,825,818 from the City and made the first bond principal and interest payment of \$1,825,700. The fund balance finished the year at \$1,273,621.

Redevelopment Agency Fund

During FY2023, property tax collections from redevelopment areas increased 1.7% or \$72,182 to a total of \$4,360,964 from \$4,288,782 in FY2022. This increase is due to normal fluctuations of property values within the RDA areas compared to the entire taxing area and tax levy increases by multiple taxing entities. The RDA Fund balance increased \$2,117,150 to a total of \$8,752,247. Tax increment of \$3.5 million is restricted fund balance, set aside for moderate income housing.

Expenditures in the RDA Fund increased from \$2,316,979 in FY2022 to \$2,836,959 in FY2023 (22.4%) and consisted mainly of debt service, private reimbursements on past projects, and reimbursements to Murray City School District.

Library Fund

The Library Fund balance increased by \$839,672; up from an increase of \$814,872 in FY2022, to a total of \$5,386,837. Revenues increased \$145,164. An investment income increase of \$170,392 over FY2022 offset small revenue decreases for federal grants and property tax collected. Expenditures were up \$120,364 all due to a 7% COLA adjustment for all employees along with increased insurance and benefit costs.

Cemetery Fund

The Cemetery Fund did not have expenditures in FY2023. The committed fund balance increased by \$72,764 due to investment earnings, and the reselling of some graves, to a total of \$1,477,747. 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, Wastewater, Power, Murray Parkway, Solid Waste, and Stormwater Funds combined had pension adjustments which decreased personnel costs by \$434,757 compared to \$2,302,115 in FY2022 thus making it seem that personnel costs increased 31.33%. Without pension adjustments, personnel expenses increased 9.16% due to a city wide 7% COLA, step increases and an increase in health insurance costs.

- The Water Fund's restricted and unrestricted net position increased this fiscal year by \$137,904 to a total of \$5,458,244, which is approximately 77% of current annual operating revenues. Operating revenue increased \$677,948 or 10.51%. This is from relaxing of conservation efforts due to a record-breaking snow year resulting in less worry about continuing drought. Operation and maintenance expenses increased by 6% this year due to inflation and the high cost of materials.



FUND ANALYSIS (continued)

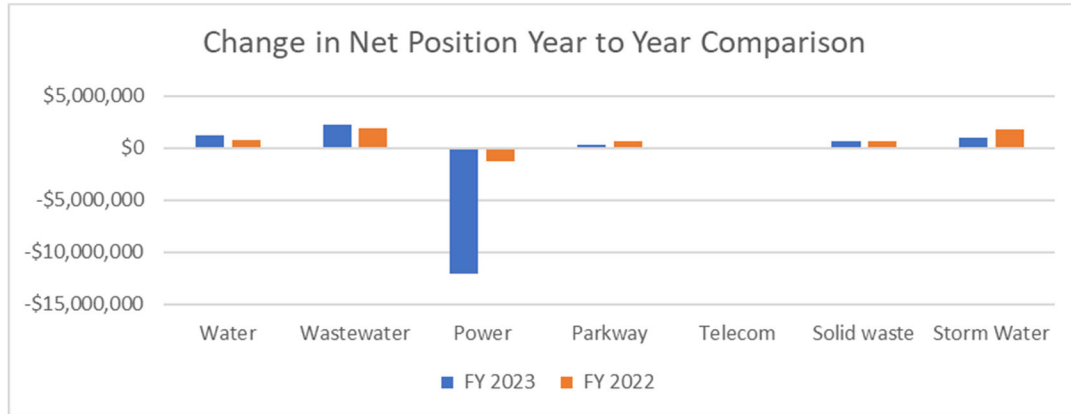
B. Proprietary Funds (Continued)

- The Wastewater Fund's unrestricted net position increased by \$1,615,965 this fiscal year to a total of \$15,628,655 of the unrestricted net position is an investment in the Central Valley Water Reclamation Facility (CVWRF). The remaining \$3,353,174 is 42% of the fund's current annual operating revenues. The operating revenue increased by 33.51% in FY2023 due to a 54% rate increase in April 2022 and a 7% increase in April of 2023. The cost of rebuilding the Central Valley Water Reclamation Facility has increased from an estimate of \$250 million to \$370 million. The rate increases were necessary for the fund to pay its share of the Central Valley expenses along with increased operating expenses. The Central Valley expenses for FY2023 were \$4,322,293 up from \$3,635,578 in FY2022. Removing the Central Valley expenses, operating and maintenance expenses were up \$27,713.
- The Power Fund's restricted and unrestricted net position decreased by \$12,143,887 this fiscal year to a total of \$19,454,895, approximately 52% of current annual operating revenues. The Power Funds operating revenue increased 3.92% and the operating expenses without purchased power increased by 5.15%. Purchased power increased \$12.2 million dollars (59.47%) over the previous year. The robust level of unrestricted fund balance allowed the Power Fund to absorb the cost increases until August 2023 when a rate increase became effective. The Power Fund revenue fluctuation for this year is based almost entirely on weather.
- The Storm Water Fund's revenues increased 10.8% due to a 10% rate increase. The rate increase was the third of five which will occur annually on July 1. The restricted and unrestricted net position increased 54.2% or \$757,574. The rate increases have started to stabilize net position. The total of the Storm Water Fund's restricted and unrestricted net position is \$2,154,812.
- The Parkway Fund (golf course) received transfers from both the General Fund (\$60,000) and Capital Projects Fund (\$173,000) to subsidize operations and capital for the fiscal year. The transfer from the Capital Projects Fund provided grounds equipment and other upgrades to the facilities, while the transfer from the General Fund provided for operations. Operating revenue increased \$16,623 over the previous year due to weather conditions. The Parkway Fund's unrestricted net position is \$503,872, an increase from the previous year of \$447,685. Although the fund no longer has a negative unrestricted fund balance, the City's FY2024 budget includes subsidization of this fund by the General Fund.
- The Solid Waste Fund's unrestricted net position increased by \$647,489 to a total of \$4,881,399. The unrestricted net position includes a \$3,042,104 investment in Trans-Jordan Cities which operates a landfill. The remaining \$1,839,295 is 73% of annual revenue. The Trans-Jordan landfill is reaching capacity, so the fund reserves are being increased in anticipation of increased transfer costs.



FUND ANALYSIS (continued)

B. Proprietary Funds (Continued)



GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, General Fund budgeted expenditures were amended from an original budget total of \$58,368,910 to a final budget total of \$66,975,082 (14.7% difference). All departments monitor their budgets closely and are required to stay within their allotment. Expenditure budget adjustments made during the year are summarized as follows.

- A. General government
 - \$6,341,298 additional transfer to the Capital Projects Fund
 - \$50,000 for consulting service - Mayor's office
 - \$15,000 for grant match - Community and Economic Development
 - \$136,536 for IT overtime and software.
 - \$10,000 prior year bill for internet services
 - \$684 for open enrollment insurance changes
- B. Public safety
 - \$259,885 for grant and donation funded programs and services
 - \$40,000 for Police onboarding and uniform expense
 - \$100,000 for Fire wages, overtime, and benefits
 - (\$16,053) for open enrollment insurance changes
- C. Highways and public improvements
 - \$1,265,946 for Class C Road projects
 - \$75,000 for additional snowplow blades and equipment
- D. Parks, recreation, and culture
 - \$45,177 for grants & donations in support of arts, history, and recreation programs
 - \$15,369 for open enrollment insurance changes
 - \$60,000 for maintenance on 2 parks acquired from Salt Lake County
 - \$190,000 for natural gas to heat swimming pools due to natural gas price spikes
 - \$17,300 for museum move to new location. This amount was restricted in reserves from a previous grant.

General Fund budgeted revenues were amended from \$57,796,646 to \$58,443,816 (1.1% difference). Revenue budget adjustments made during the year can be summarized as follows:



GENERAL FUND BUDGETARY HIGHLIGHTS (continued)

- E. Investment revenue
 - \$461,500 to revise the budget for increased revenue
- F. Intergovernmental revenue
 - \$85,670 was budgeted for additional grants received during the year
- G. Charges for services
 - \$100,000 was budgeted for additional Ambulance services revenue

During the year, actual revenues were greater than budgeted revenues by \$6,722,000. The sales tax budget for FY2023 was increased over the FY2022 budget by 5.4%. The budgeted amount was less than estimated FY2022 collections due to economists talking of a recession. During FY2023, the City had a 1.1% increase in sales tax collections, resulting in a \$4,211,548 variance from budget. Licenses & permits and charges for services were \$324,721 above budget as building continues despite higher interest rates. Intergovernmental revenue was under budget by (\$46,481), due to the Fire department not being deployed to help with wildland firefighting. Actual expenditures were less than budgeted expenditures by \$4,726,844. The savings by function were general government (16.02%), public safety (32.54%), highways & public improvements (31.66%), and parks & recreation (9.26%). The savings were due to open positions and conservative spending by all areas of the government.

CAPITAL ASSETS

The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2023 amounts to \$266,325,117. 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 \$20,004,034 (8.12%).

	Governmental Activities		Business-type Activities		Total	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Land	\$ 26,613,220	\$ 26,608,520	\$ 6,974,069	\$ 6,974,069	\$ 33,587,289	\$ 33,582,589
Road Land - right of ways	48,333,375	47,863,665	-	-	48,333,375	47,863,665
Construction in progress	7,378,603	24,446,163	2,353,911	1,857,374	9,732,514	26,303,537
Buildings	77,396,001	44,946,616	6,233,556	6,233,556	83,629,557	51,180,172
Infrastructure	105,761,343	102,245,550	196,151,821	191,500,575	301,913,164	293,746,125
Equipment	23,275,408	19,379,798	26,584,058	25,281,659	49,859,466	44,661,457
Intangibles & right-to-use						
lease & subscrip assets	17,760	9,539	4,149,972	3,759,027	4,167,732	3,768,566
Accum depreciation & amort	(105,996,413)	(100,913,555)	(158,901,567)	(153,871,473)	(264,897,980)	(254,785,028)
Total Capital Assets	\$ 182,779,297	\$ 164,586,296	\$ 83,545,820	\$ 81,734,787	\$ 266,325,117	\$ 246,321,083

During the year, the City spent \$28,625,734 on assets and received \$1,981,403 in donated assets.

Major capital asset events during FY2023 include:

- Construction in progress decreased \$16,571,023 due to the completion of the new city hall, which was partially offset by the start of renovation construction on the Murray Mansion and Murray Theater. Multiple parks, water, stormwater, streets, and wastewater infrastructure projects were started or completed during the fiscal year.
- Sewer lining projects totaling \$458,408 were completed.



CAPITAL ASSETS (continued)

- Twelve police cars for \$354,712, Twenty-one other trucks & vehicles for \$1,229,304, a power bucket truck for \$214,325, digger derrick truck for \$363,150, amphitheater seating for \$136,213, fifteen other pieces of equipment for various departments for \$577,900. Much of this equipment was ordered in previous years and were finally received in FY2023.
- The acceptance of \$1,981,403 in developer-contributed assets, including \$918,974 in donated roads and land under the roads, \$408,699 in donated water lines, \$447,614 in donated sewer lines, and \$206,115 in donated storm drain infrastructure.

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, 2023, the City had total long-term bonded, lease, and subscription outstanding debt of \$64,503,926. Bond secured solely by specific revenue sources represent \$64,166,936 of this amount the remaining being lease payable of \$10,649 and subscription payable of \$326,341. The City has no general obligation bonds outstanding.

	Governmental Activities		Business-type Activities		Total	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Bonds & Lease Payable	\$ 50,818,085	\$ 52,792,182	\$ 13,685,841	\$ 14,340,486	\$ 64,503,926	\$ 67,132,668

The City's total bonded and lease debt outstanding decreased by \$2,628,742 during the fiscal year (3.92%). This decrease is due to normally scheduled debt principal payments.

The most recent bond ratings issued for Murray are 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 72-77 of this report.

ECONOMIC FACTORS

- According to the Utah Department of Workforce Services, the unemployment rate in Salt Lake County as of June 2023 was 2.4% as compared to 2% of the previous year. The national unemployment rate remained unchanged from June 2022 at 3.6%. The number of jobs available in Salt Lake County region grew 19,228 from June 2022 to June 2023. The low unemployment rate is making it more difficult to fill open positions especially for part-time workers. The City has raised all part-time employee salaries and continually reviews full-time salaries to ensure they are competitive.
- According to the U.S. Bureau of Labor Statistics, in September 2023 the consumer price index (CPI) in the western region was up 3.5% from a year ago, while the CPI for the nation rose 3% for that same period. This inflation, combined with the 8% the previous year, is putting some stress on City services due to increased costs especially for infrastructure and personnel.
- Following 2 years of increases over 15%, statewide sales tax revenue increased by 5.6% in FY2023. The 5.6% increase is a return to the pre-COVID-19 growth rate. Inflation and a growing population account for the increase. Sales tax receipts are projected to keep increasing just not at the same rate as the last few years.



NEXT YEAR'S BUDGETS AND RATES

- The City continues its approach of budgeting conservatively to avoid revenue shortfalls. After removing the ARPA Act grant funding, the FY2024 General Fund budgeted revenues were increased \$3.7 million (7.37%) and budgeted expenditures increased \$1.6 million (2.9%), which together with changes in transfers, resulted in a balanced budget.
- \$545,294 of the revenue increase is the result a 3.2% property tax levy increase effective in FY2024 and 1.8% increase in property taxes. The increase was necessary to support an additional firefighter, 2 police officers and maintenance for 2 newly acquired parks. Historically, the City has budgeted the next year's sales tax revenue within 1% of the prior year's actual collections. Due to the double digit increases of the past 2 years and FY2023 trending at 5%, along with the threat of recession and higher interest rates, sales tax was budgeted at 2% less than FY2022 collections. This resulted in a budget increase of 10% for sales tax collections. The FY2023 budget anticipated a sales tax decrease which did not happen. This method was designed to reduce the City's exposure to negative economic changes.
- 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 transitioned from a flat rate to a tiered rate system in 2018. This change was mandated by state law and intended to promote water conservation. The water rate increased by 5.5% per year through April of 2022. A rate study and master plan update will be performed during FY2024.
 - The storm water utility 5-year rate increase schedule started July 1, 2020, with a \$1.00 per ERU (21.5%) increase and will increase \$.65 per ERU yearly until 2025.
 - The sewer utility started a new five-year rate increase schedule April 1 of 2022. A Central Valley fee was added along with a 35% increase in the base rate and a 20% increase in the flow rate. The rate increase for FY2023 was 7%. The rate increases will continue through FY2027. The large increase was necessary due to the reconstruction of the Central Valley Water Reclamation Facility to comply with State water quality standards and increased capital costs.
 - During FY2023 the City's power system started a rate study which was completed in July 2023. A 3-year schedule of rate increases went into effect starting August 1, 2023. The FY2024 budget did not reflect the rate increase. Rates had not been increased since 2011. Increasing rates became imperative due to volatile prices of purchased power and natural gas.

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
10 E 4800 S
Murray, Utah 84107
(801) 264-2513
bmoore@murray.utah.gov

BASIC FINANCIAL STATEMENTS



For Fiscal Year Ended June 30, 2023

Government-Wide Financial Statements



STATEMENT OF NET POSITION

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 47,224,835	\$ 12,033,723	\$ 59,258,558
Investments	7,021,922	4,393,941	11,415,863
Accounts receivable (net of allowance)	19,626,610	6,334,200	25,960,810
Notes receivable	-	18,418	18,418
Lease receivable	63,383	-	63,383
Due from other governments	5,843,994	14,988	5,858,982
Inventory	101,303	3,253,293	3,354,596
Prepaid items	69,610	1,540	71,150
Total current assets	79,951,657	26,050,103	106,001,760
Noncurrent assets			
Restricted cash	5,079,481	2,725,776	7,805,257
Investments	17,807,823	11,143,178	28,951,001
Lease receivable	63,294	-	63,294
Notes receivable	-	82,975	82,975
Investments in joint ventures	-	15,617,585	15,617,585
Net pension asset	2,394,348	-	2,394,348
Capital assets			
Land	26,613,220	6,974,069	33,587,289
Road land - right of ways	48,333,375	-	48,333,375
Construction in progress	7,378,603	2,353,911	9,732,514
Buildings	77,396,001	6,233,556	83,629,557
Infrastructure	105,761,343	196,151,821	301,913,164
Equipment	23,275,408	26,584,058	49,859,466
Intangibles	-	3,759,027	3,759,027
Intangible right-to-use lease assets	17,760	-	17,760
Intangible right-to-use subscription asset	-	390,945	390,945
Accumulated depreciation and amortization	(105,996,413)	(158,901,567)	(264,897,980)
Total noncurrent assets	208,124,243	113,115,334	321,239,577
Total assets	288,075,900	139,165,437	427,241,337
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	-	22,422	22,422
Pension related	6,648,229	2,023,258	8,671,487
Total deferred outflows of resources	6,648,229	2,045,680	8,693,909
LIABILITIES			
Current liabilities			
Accounts payable	7,201,809	3,231,384	10,433,193
Accrued liabilities	1,351,691	648,143	1,999,834
Accrued interest payable	163,219	145,657	308,876
Customer deposits	280,095	2,453,105	2,733,200
Compensated absences	3,257,057	1,325,272	4,582,329
Notes payable	-	18,418	18,418
Bonds, leases, and subscriptions payable	1,772,344	1,049,894	2,822,238
Total current liabilities	14,026,215	8,871,873	22,898,088
Noncurrent liabilities			
Compensated absences	301,946	138,716	440,662
Net pension liability	4,789,103	1,249,016	6,038,119
Notes payable	-	82,975	82,975
Bonds, leases, and subscriptions payable	49,045,741	12,635,947	61,681,688
Total noncurrent liabilities	54,136,790	14,106,654	68,243,444
Total liabilities	68,163,005	22,978,527	91,141,532
DEFERRED INFLOWS OF RESOURCES			
Pension related	260,995	58,495	319,490
Lease related	126,677	-	126,677
Deferred property taxes	18,691,469	-	18,691,469
Total deferred inflows of resources	19,079,141	58,495	19,137,636
NET POSITION			
Net investment in capital assets	133,392,297	69,400,946	202,793,243
Restricted			
Capital	915,282	96,663	1,011,945
Impact fees	2,458,939	-	2,458,939
Debt service	558,184	176,008	734,192
Other purposes	3,734,103	-	3,734,103
Unrestricted	66,423,178	48,500,478	114,923,656
Total net position	\$ 207,481,983	\$ 118,174,095	\$ 325,656,078

The accompanying notes are an integral part of this statement.



STATEMENT OF ACTIVITIES

	Program Revenues				Net Revenue (Expense) and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Functions/Programs:						
Primary government:						
Governmental activities						
General government	\$ 10,192,818	\$ 5,207,791	\$ 3,805,721	\$ -	\$ (1,179,306)	\$ (1,179,306)
Public safety	27,454,189	2,690,112	2,587,772	306,741	(21,869,564)	(21,869,564)
Highways and public improvements	12,165,235	-	2,215,536	1,967,008	(7,982,691)	(7,982,691)
Parks, recreation, and culture	12,081,336	1,995,991	142,608	3,087,128	(6,855,609)	(6,855,609)
Debt service - interest and fiscal charges	1,452,910	-	-	-	(1,452,910)	(1,452,910)
Total governmental activities	63,346,488	9,893,894	8,751,637	5,360,877	(39,340,080)	(39,340,080)
Business-type activities						
Water	6,161,847	7,128,860	-	687,794	\$ 1,654,807	1,654,807
Wastewater	6,614,384	8,061,046	-	700,186	2,146,848	2,146,848
Power	47,747,546	37,352,755	-	282,583	(10,112,208)	(10,112,208)
Murray Parkway	1,694,369	1,743,039	-	-	48,670	48,670
Telecom	43,614	47,595	-	-	3,981	3,981
Solid Waste	2,200,370	2,527,715	-	-	327,345	327,345
Storm Water	2,262,527	2,967,644	-	239,620	944,737	944,737
Total business-type activities	66,724,657	59,828,654	-	1,910,183	(4,985,820)	(4,985,820)
Total primary government	\$ 130,071,145	\$ 69,722,548	\$ 8,751,637	\$ 7,271,060	(39,340,080)	(44,325,900)
General revenues and transfers:						
General Revenues:						
Taxes						
Sales					29,169,548	-
Property					15,415,401	-
Franchise					4,961,592	-
Investment income					2,820,950	1,345,835
Equity investment income					-	892,362
Gain on sale and disposal of assets					7,766	16,000
Miscellaneous					157,080	-
Transfers - net					3,834,355	(3,834,355)
Total general revenue and transfers					56,366,692	(1,580,158)
Change in net position					17,026,612	(6,565,978)
Net position, beginning of year					190,455,371	124,740,073
Net position, end of year					\$ 207,481,983	\$ 118,174,095
						\$ 325,656,078

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 (MBA) 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	\$ 9,837,654	\$ 28,273,322	\$ 4,431,518	\$ 765,691
Investments	3,653,335	9,576,850	5,092,821	4,624,918
Accounts receivable (net of allowance)				
Property taxes	11,579,226	-	4,735,884	2,533,432
Other	684,862	67,254	-	-
Due from other governments	5,780,115	63,879	-	-
Prepaid items	43,146	-	-	26,464
Restricted cash	279,293	1,984,562	1,151	18,162
Lease receivable	126,677	-	-	-
Total assets	<u>\$ 31,984,308</u>	<u>\$ 39,965,867</u>	<u>\$ 14,261,374</u>	<u>\$ 7,968,667</u>
LIABILITIES				
Accounts payable	\$ 1,142,399	\$ 2,088,628	\$ 772,243	\$ 52,463
Accrued liabilities	959,770	-	-	24,954
Deposits	279,095	-	1,000	-
Total liabilities	<u>2,381,264</u>	<u>2,088,628</u>	<u>773,243</u>	<u>77,417</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable ambulance billing	422,284	-	-	-
Lease related	126,677	-	-	-
Unavailable property taxes	11,451,172	-	4,735,884	2,504,413
Total deferred Inflows of resources	<u>12,000,133</u>	<u>-</u>	<u>4,735,884</u>	<u>2,504,413</u>
FUND BALANCE				
Nonspendable	43,146	-	-	44,626
Restricted	1,835,092	6,490,679	3,562,060	-
Committed	-	-	-	-
Assigned	-	31,386,560	5,190,187	5,342,211
Unassigned	15,724,673	-	-	-
Total fund balances	<u>17,602,911</u>	<u>37,877,239</u>	<u>8,752,247</u>	<u>5,386,837</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,984,308</u>	<u>\$ 39,965,867</u>	<u>\$ 14,261,374</u>	<u>\$ 7,968,667</u>

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	\$ 1,555,950	\$ 300,035	\$ 45,164,170
Investments	-	1,177,712	24,125,636
Accounts receivable (net of allowance)			
Property taxes	-	-	18,848,542
Other	-	-	752,116
Due from other governments	-	-	5,843,994
Prepaid items	-	-	69,610
Restricted cash	2,796,313	-	5,079,481
Lease receivable	-	-	126,677
Total assets	<u>\$ 4,352,263</u>	<u>\$ 1,477,747</u>	<u>\$ 100,010,226</u>
LIABILITIES			
Accounts payable	\$ 3,078,642	\$ -	\$ 7,134,375
Accrued liabilities	-	-	984,724
Deposits	-	-	280,095
Total liabilities	<u>3,078,642</u>	<u>-</u>	<u>8,399,194</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable ambulance billing	-	-	422,284
Lease related	-	-	126,677
Unavailable property taxes	-	-	18,691,469
Total deferred Inflows of resources	<u>-</u>	<u>-</u>	<u>19,240,430</u>
FUND BALANCE			
Nonspendable	-	-	87,772
Restricted	557,835	-	12,445,666
Committed	-	1,477,747	1,477,747
Assigned	715,786	-	42,634,744
Unassigned	-	-	15,724,673
Total fund balances	<u>1,273,621</u>	<u>1,477,747</u>	<u>72,370,602</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,352,263</u>	<u>\$ 1,477,747</u>	<u>\$ 100,010,226</u>

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	\$ 72,370,602
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	182,768,703
Intangible right-to-use lease assets used in governmental activities are not financial resources and therefore are not reported in the funds.	10,594
The net pension asset is not an available resource and, therefore, is not reported in the funds.	2,394,348
Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not recorded in the funds.	(163,219)
Long-term liabilities, including bonds, leases, compensated absences, and net pension liability are not due and payable in the current period and, therefore, are not reported in the funds.	(59,000,973)
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.	6,257,506
Deferred inflows of resources associated with the General Fund's ambulance billings are removed in the Statement of Net Position.	422,284
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.	2,422,138
Net position of governmental activities	<u>\$ 207,481,983</u>

The accompanying notes are an integral part of this statement.



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STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

(Page 1 of 2)

	General Fund	Capital Projects Fund	Redevelopment Agency Fund	Library Fund
REVENUES				
Sales tax	\$ 29,169,548	\$ -	\$ -	\$ -
Property taxes	11,930,390	-	838,316	2,646,695
Franchise taxes	4,961,592	-	-	-
Licenses and permits	2,110,221	-	-	-
Impact fees	-	2,344,240	-	-
Intergovernmental	6,004,629	804,767	3,522,648	27,608
Charges for services	4,656,023	-	-	-
Fines and forfeitures	1,026,195	-	-	16,553
Miscellaneous	181,437	14,078	20,163	8,894
Investment income	629,921	1,318,339	247,982	148,824
Total revenues	60,669,956	4,481,424	4,629,109	2,848,574
EXPENDITURES				
Current:				
General government	9,020,898	96,730	-	-
Public safety	26,026,089	617,718	-	-
Highways and public improvements	4,773,310	3,171,298	1,908,059	-
Parks, recreation, and culture	8,675,541	1,000,793	-	1,975,901
Capital outlay	-	8,245,592	-	33,001
Debt service:				
Principal	793,699	-	345,000	-
Interest and fiscal charges	250,537	-	223,750	-
Pledge payment - UTOPIA debt service	1,427,858	-	-	-
Total expenditures	50,967,932	13,132,131	2,476,809	2,008,902
Excess (deficiency) of revenues over expenditures	9,702,024	(8,650,707)	2,152,300	839,672
OTHER FINANCING SOURCES (USES)				
Issuance of debt proceeds	8,221	-	-	-
Sale of capital assets	-	62,955	-	-
Transfers in	4,427,505	10,895,306	325,000	-
Transfers out	(11,280,306)	(173,000)	(360,150)	-
Total other financing sources (uses)	(6,844,580)	10,785,261	(35,150)	-
Net change of fund balances	2,857,444	2,134,554	2,117,150	839,672
Fund balances, beginning of year	14,745,467	35,742,685	6,635,097	4,547,165
Fund balances, end of year	\$ 17,602,911	\$ 37,877,239	\$ 8,752,247	\$ 5,386,837

The accompanying notes are an integral part of this statement.



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

(Page 2 of 2)

	Municipal Building Authority	(Nonmajor) Cemetery Fund	Total Governmental Funds
REVENUES			
Sales tax	\$ -	\$ -	\$ 29,169,548
Property taxes	-	-	15,415,401
Franchise taxes	-	-	4,961,592
Licenses and permits	-	-	2,110,221
Impact fees	-	-	2,344,240
Intergovernmental	-	-	10,359,652
Charges for services	-	18,370	4,674,393
Fines and forfeitures	-	-	1,042,748
Miscellaneous	1,825,818	-	2,050,390
Investment income	342,333	54,394	2,741,793
Total revenues	2,168,151	72,764	74,869,978
EXPENDITURES			
Current:			
General government	169,335	-	9,286,963
Public safety	-	-	26,643,807
Highways and public improvements	-	-	9,852,667
Parks, recreation, and culture	-	-	11,652,235
Capital outlay	14,327,900	-	22,606,493
Debt service:			
Principal	585,000	-	1,723,699
Interest and fiscal charges	1,243,200	-	1,717,487
Pledge payment - UTOPIA debt service	-	-	1,427,858
Total expenditures	16,325,435	-	84,911,209
Excess (deficiency) of revenues over expenditures	(14,157,284)	72,764	(10,041,231)
OTHER FINANCING SOURCES (USES)			
Issuance of debt proceeds	-	-	8,221
Sale of capital assets	-	-	62,955
Transfers in	-	-	15,647,811
Transfers out	-	-	(11,813,456)
Total other financing sources (uses)	-	-	3,905,531
Net change of fund balances	(14,157,284)	72,764	(6,135,700)
Fund balances, beginning of year	15,430,905	1,404,983	78,506,302
Fund balances, end of year	\$ 1,273,621	\$ 1,477,747	\$ 72,370,602

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	\$	(6,135,700)
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.		18,181,012
Intangible right-to-use lease assets are amortized over the life of the agreement and reported as amortization expense.		(3,697)
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.		43,837
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.		1,988,276
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.		2,410,821
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.		542,063
Change in net position of governmental activities	\$	<u>17,026,612</u>

The accompanying notes are an integral part of this statement.



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.

Nonmajor Funds

The Murray Parkway Fund, Telecom Fund, and Solid Waste Fund are categorized as nonmajor 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	\$ 611,512	\$ 2,222,951	\$ 4,266,566	\$ 1,654,948
Investments	1,134,334	138,922	3,006,013	99,545
Accounts receivable (net of allowance)	1,019,576	1,051,991	3,700,867	254,555
Notes receivable	-	-	-	-
Interfund receivable	-	-	859,299	-
Due from other governments	14,988	-	-	-
Inventory	135,608	-	3,047,151	-
Prepaid items	-	390	1,150	-
Total current assets	2,916,018	3,414,254	14,881,046	2,009,048
Noncurrent assets				
Restricted cash	25,336	271,745	2,426,352	843
Investments, long-term	2,876,708	352,312	7,623,349	252,448
Notes receivable	-	-	-	-
Investments in joint ventures	-	12,575,481	-	-
Net pension asset	-	-	-	-
Capital assets				
Land	2,155,313	455,921	1,691,650	2,344,849
Construction in progress	939,236	-	1,332,500	82,175
Buildings	933,325	949,132	3,462,645	-
Infrastructure	51,815,678	18,564,713	77,173,883	42,450,178
Equipment	4,145,833	1,725,048	16,907,815	1,811,105
Intangibles	-	-	3,759,027	-
Intangible right-to-use subscription asset	-	-	390,945	-
Accumulated depreciation and amortization	(24,262,990)	(10,825,053)	(84,460,099)	(32,668,854)
Total noncurrent assets	38,628,439	24,069,299	30,308,067	14,272,744
Total assets	41,544,457	27,483,553	45,189,113	16,281,792
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on bond refunding	14,038	8,384	-	-
Pension related	350,676	159,937	1,212,690	143,904
Total deferred outflows of resources	364,714	168,321	1,212,690	143,904
LIABILITIES				
Current liabilities				
Accounts payable	522,843	331,470	2,205,224	15,881
Accrued liabilities	45,774	20,792	370,010	18,985
Interfund payable	-	-	-	-
Interest payable	69,535	29,214	-	46,908
Compensated absences	255,216	121,538	765,618	87,431
Notes payable	-	-	-	-
Bonds and subscriptions payable	375,532	356,468	57,894	260,000
Customer deposits	25,253	-	2,426,352	-
Total current liabilities	1,294,153	859,482	5,825,098	429,205
Noncurrent liabilities				
Compensated absences	28,291	11,267	82,204	8,105
Net pension liability	192,181	87,650	804,801	78,864
Notes payable	-	-	-	-
Bonds and subscriptions payable	8,054,000	1,349,000	268,447	2,964,500
Total noncurrent liabilities	8,274,472	1,447,917	1,155,452	3,051,469
Total liabilities	9,568,625	2,307,399	6,980,550	3,480,674
DEFERRED INFLOWS OF RESOURCES				
Pension related	10,453	4,768	34,333	4,290
Total deferred inflows of resources	10,453	4,768	34,333	4,290
NET POSITION				
Net investment in capital assets	26,871,849	9,139,307	19,932,025	10,785,920
Restricted				
Capital	-	96,663	-	-
Debt service	83	175,082	-	843
Unrestricted	5,458,161	15,928,655	19,454,895	2,153,969
Total net position	\$ 32,330,093	\$ 25,339,707	\$ 39,386,920	\$ 12,940,732

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	\$ 3,277,746	\$ 12,033,723	\$ 2,060,665
Investments	15,127	4,393,941	199,124
Accounts receivable (net of allowance)	307,211	6,334,200	25,952
Notes receivable	18,418	18,418	-
Interfund receivable	-	859,299	-
Due from other governments	-	14,988	-
Inventory	70,534	3,253,293	101,303
Prepaid items	-	1,540	-
Total current assets	3,689,036	26,909,402	2,387,044
Noncurrent assets			
Restricted cash	1,500	2,725,776	-
Investments, long-term	38,361	11,143,178	504,985
Notes receivable	82,975	82,975	-
Investments in joint ventures	3,042,104	15,617,585	-
Net pension asset	-	-	-
Capital assets			
Land	326,336	6,974,069	-
Construction in progress	-	2,353,911	-
Buildings	888,454	6,233,556	-
Infrastructure	6,147,369	196,151,821	-
Equipment	1,994,257	26,584,058	297,433
Intangibles	-	3,759,027	-
Intangible right-to-use subscription asset	-	390,945	-
Accumulated depreciation and amortization	(6,684,571)	(158,901,567)	(194,193)
Total noncurrent assets	5,836,785	113,115,334	608,225
Total assets	9,525,821	140,024,736	2,995,269
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	-	22,422	-
Pension related	156,051	2,023,258	133,714
Total deferred outflows of resources	156,051	2,045,680	133,714
LIABILITIES			
Current liabilities			
Accounts payable	155,966	3,231,384	67,434
Accrued liabilities	192,582	648,143	366,967
Interfund payable	859,299	859,299	-
Interest payable	-	145,657	-
Compensated absences	95,469	1,325,272	84,138
Notes payable	18,418	18,418	-
Bonds and subscriptions payable	-	1,049,894	-
Customer deposits	1,500	2,453,105	-
Total current liabilities	1,323,234	9,731,172	518,539
Noncurrent liabilities			
Compensated absences	8,849	138,716	7,800
Net pension liability	85,520	1,249,016	73,280
Notes payable	82,975	82,975	-
Bonds and subscriptions payable	-	12,635,947	-
Total noncurrent liabilities	177,344	14,106,654	81,080
Total liabilities	1,500,578	23,837,826	599,619
DEFERRED INFLOWS OF RESOURCES			
Pension related	4,651	58,495	3,986
Total deferred inflows of resources	4,651	58,495	3,986
NET POSITION			
Net investment in capital assets	2,671,845	69,400,946	103,240
Restricted			
Capital	-	96,663	-
Debt service	-	176,008	-
Unrestricted	5,504,798	48,500,478	2,422,138
Total net position	\$ 8,176,643	\$ 118,174,095	\$ 2,525,378

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	\$ 7,112,002	\$ 8,045,462	\$ 34,299,900	\$ 2,964,928
Connection and servicing fees	8,145	8,200	322,468	-
Other	8,713	7,384	2,730,387	2,716
Total operating revenues	7,128,860	8,061,046	37,352,755	2,967,644
OPERATING EXPENSES				
Wages and benefits	2,137,053	983,537	7,221,952	894,266
Administrative fees	807,340	664,413	1,723,812	378,548
Operations and maintenance	1,681,422	4,306,593	36,471,449	439,572
Depreciation and amortization	1,422,722	599,944	2,330,333	443,614
Total operating expenses	6,048,537	6,554,487	47,747,546	2,156,000
Operating income (loss)	1,080,323	1,506,559	(10,394,791)	811,644
NONOPERATING REVENUES (EXPENSES)				
Investment income	154,585	76,807	940,964	60,930
Interest and fiscal charges	(113,310)	(59,897)	-	(106,527)
Equity in income of joint venture	-	668,004	-	-
Gain on disposal of assets	-	-	-	-
Total nonoperating revenues (expenses)	41,275	684,914	940,964	(45,597)
Income (loss) before contributions and transfers	1,121,598	2,191,473	(9,453,827)	766,047
Capital contributions	687,794	700,186	282,583	239,620
Transfers in	-	21,125	21,125	-
Transfers out	(564,829)	(641,812)	(2,902,964)	-
Change in net position	1,244,563	2,270,972	(12,053,083)	1,005,667
Total net position, beginning of year	31,085,530	23,068,735	51,440,003	11,935,065
Total net position, end of year	\$ 32,330,093	\$ 25,339,707	\$ 39,386,920	\$ 12,940,732

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	\$ 4,314,642	\$ 56,736,934	\$ 2,404,927
Connection and servicing fees	-	338,813	-
Other	3,707	2,752,907	516,211
Total operating revenues	<u>4,318,349</u>	<u>59,828,654</u>	<u>2,921,138</u>
OPERATING EXPENSES			
Wages and benefits	1,076,373	12,313,181	760,261
Administrative fees	319,647	3,893,760	-
Operations and maintenance	2,192,945	45,091,981	1,674,298
Depreciation and amortization	328,865	5,125,478	23,673
Total operating expenses	<u>3,917,830</u>	<u>66,424,400</u>	<u>2,458,232</u>
Operating income (loss)	<u>400,519</u>	<u>(6,595,746)</u>	<u>462,906</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	112,549	1,345,835	79,157
Interest and fiscal charges	(20,523)	(300,257)	-
Equity in income of joint venture	224,358	892,362	-
Gain on disposal of assets	16,000	16,000	-
Total nonoperating revenues (expenses)	<u>332,384</u>	<u>1,953,940</u>	<u>79,157</u>
Income (loss) before contributions and transfers	<u>732,903</u>	<u>(4,641,806)</u>	<u>542,063</u>
Capital contributions	-	1,910,183	-
Transfers in	233,000	275,250	-
Transfers out	-	(4,109,605)	-
Change in net position	<u>965,903</u>	<u>(6,565,978)</u>	<u>542,063</u>
Total net position, beginning of year	<u>7,210,740</u>	<u>124,740,073</u>	<u>1,983,315</u>
Total net position, end of year	<u>\$ 8,176,643</u>	<u>\$ 118,174,095</u>	<u>\$ 2,525,378</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	\$ 6,908,367	\$ 7,999,596	\$ 37,648,066	\$ 2,923,162
Payments to suppliers of goods and services	(1,905,206)	(4,303,593)	(36,992,945)	(540,768)
Payments to employees for services	(2,270,397)	(1,029,614)	(7,325,316)	(918,989)
Payment for interfund services	(807,340)	(664,413)	(1,723,812)	(378,548)
Net cash provided (used) by operating activities	1,925,424	2,001,976	(8,394,007)	1,084,857
Cash flows from noncapital financing activities				
Transfers from other funds	-	21,125	21,125	-
Transfers to other funds	(564,829)	(641,812)	(2,902,964)	-
Changes to interfund receivables and payables	-	-	166,844	-
Net cash provided (used) by noncapital financing activities	(564,829)	(620,687)	(2,714,995)	-
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	105,800	-	-	-
Purchases of capital assets	(2,318,103)	(496,504)	(2,421,137)	(226,639)
Impact fees	279,094	252,572	282,583	33,505
Principal paid on debt	(366,141)	(346,859)	-	(267,986)
Interest and fiscal charges paid on capital debt	(96,956)	(52,521)	-	(109,694)
Net cash used by capital and related financing activities	(2,396,306)	(643,312)	(2,138,554)	(570,814)
Cash flows from investing activities				
Sale (purchase) of investments	(1,904,057)	(491,234)	(5,723,313)	(351,993)
Investment income	154,585	76,807	940,964	60,930
Capital acquisitions in joint venture	-	(137,329)	-	-
Net cash provided (used) by investing activities	(1,749,472)	(551,756)	(4,782,349)	(291,063)
Net increase (decrease) in cash and cash equivalents	(2,785,183)	186,221	(18,029,905)	222,980
Cash and cash equivalents - beginning of year	3,422,031	2,308,475	24,722,823	1,432,811
Cash and cash equivalents - end of year	\$ 636,848	\$ 2,494,696	\$ 6,692,918	\$ 1,655,791
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	\$ 1,080,323	\$ 1,506,559	\$ (10,394,791)	\$ 811,644
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	1,422,722	599,944	2,330,333	443,614
(Increase) decrease in receivables	(235,481)	(61,450)	295,311	(44,482)
(Increase) decrease in inventory and prepaid items	(135,608)	(370)	(325,543)	-
Increase (decrease) in liabilities	(206,532)	(42,707)	(299,317)	(125,919)
Net cash provided (used) by operating activities	\$ 1,925,424	\$ 2,001,976	\$ (8,394,007)	\$ 1,084,857
Noncash investing, capital and financing activities				
Capital contributions, developers	\$ 408,700	\$ 447,614	\$ -	\$ 206,115
Equity investment adjustment for net income	-	668,004	-	-

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	\$ 4,309,945	\$ 59,789,136	\$ 2,898,331
Payments to suppliers of goods and services	(2,252,684)	(45,995,196)	(1,641,367)
Payments to employees for services	(1,168,633)	(12,712,949)	(803,487)
Payment for interfund services	(319,647)	(3,893,760)	-
Net cash provided (used) by operating activities	568,981	(2,812,769)	453,477
Cash flows from noncapital financing activities			
Transfers from other funds	233,000	275,250	-
Transfers to other funds	-	(4,109,605)	-
Changes to interfund receivables and payables	(166,844)	-	-
Net cash provided (used) by noncapital financing activities	66,156	(3,834,355)	-
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	16,000	121,800	-
Purchases of capital assets	(191,158)	(5,653,541)	(31,138)
Impact fees	-	847,754	-
Principal paid on debt	-	(980,986)	-
Interest and fiscal charges paid on capital debt	(20,523)	(279,694)	-
Net cash used by capital and related financing activities	(195,681)	(5,944,667)	(31,138)
Cash flows from investing activities			
Sale (purchase) of investments	(2,059)	(8,472,656)	(27,099)
Investment income	112,549	1,345,835	79,157
Capital acquisitions in joint venture	-	(137,329)	-
Net cash provided (used) by investing activities	110,490	(7,264,150)	52,058
Net increase (decrease) in cash and cash equivalents	549,946	(19,855,941)	474,397
Cash and cash equivalents - beginning of year	2,729,300	34,615,440	1,586,268
Cash and cash equivalents - end of year	\$ 3,279,246	\$ 14,759,499	\$ 2,060,665
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ 400,519	\$ (6,595,746)	\$ 462,906
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	328,865	5,125,478	23,673
(Increase) decrease in receivables	(8,404)	(54,506)	(22,807)
(Increase) decrease in inventory and prepaid items	26,357	(435,164)	(12,166)
Increase (decrease) in liabilities	(178,356)	(852,831)	1,871
Net cash provided (used) by operating activities	\$ 568,981	\$ (2,812,769)	\$ 453,477
Noncash investing, capital and financing activities			
Capital contributions, developers	\$ -	\$ 1,062,429	\$ -
Equity investment adjustment for net income	224,358	892,362	-

The accompanying notes are an integral part of this statement.



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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 organizations 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, 2023, 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. The MBA completed construction of a new City Hall in June 2023. 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, 2023 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 \$20,000 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 \$20,000 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 \$10,000 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)

Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized over the term of the lease.

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 assets 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 assets 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 and leases, 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 Municipal Council holds this authorization for Murray City, and must set a tax rate by June 22nd each year. If the City determines the need to increase the property tax rate, a hearing on the tax increase and adoption of a final tax rate must be held after August 1 but on or before September 1. A final budget may then be adopted and the City must certify the increased tax rate to the County by this later date. 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) including 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, Leases, and Software Subscriptions

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.

The City recognizes a lease payable and an intangible right-to-use lease asset or subscription assets in the government-wide financial statements for individual values over \$5,000. At the commencement of a lease, the City measures the lease payable at the present value of payments expected to be made during the lease term. Subsequently, the lease payable is reduced by the principal amount of the lease payments. The intangible right-to-use lease asset is measured at the initial amount of the lease payable, adjusted for lease payments made at or before the lease commencement date, plus initial direct costs. The asset is amortized over its useful life.



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, class C, transportation sales tax, 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, Municipal Building Authority, and Cemetery 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	\$ 288,757,950
Accumulated depreciation	(105,989,247)
Total difference	<u>\$ 182,768,703</u>

Intangible right to use assets: When intangible right-to-use lease assets are used in governmental activities, the costs of these assets are not financial resources and are not reported in the funds. However, the Statement of Net Position includes these intangible right-to-use lease assets among the assets of the City.

Cost of intangible right-to-use lease assets	\$ 17,760
Accumulated amortization	(7,166)
Total difference	<u>\$ 10,594</u>

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	\$ (4,715,823)
Bonds payable	(45,973,000)
Compensated absences	(3,467,065)
Bond premium	(4,834,436)
Lease payable	(10,649)
Total difference	<u>\$ (59,000,973)</u>

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	\$ (257,009)
Deferred outflows related to pensions	6,514,515
Total difference	<u>\$ 6,257,506</u>



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

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

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	\$	400,502
Ending net position of the Retained Risk Fund		2,124,876
Net investment in capital assets, Central Garage Fund		(103,240)
Total difference	\$	<u>2,422,138</u>

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	\$	22,606,493
Depreciation expense		(5,289,266)
Developer contributions		918,974
Cost of capital assets sold		(55,189)
Total difference	\$	<u>18,181,012</u>

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.

Principal payments:		
Sales tax revenue bonds		1,720,000
Leases		3,699
Interest expense		5,958
Bond premium amortization		258,619
Total difference	\$	<u>1,988,276</u>



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)

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	\$	(171,364)
Net pension asset		(10,524,313)
Net pension liability		(4,715,823)
Deferred pension inflows		16,012,360
Deferred pension outflows		1,809,961
Total difference	\$	<u>2,410,821</u>

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	\$	60,251
<i>Change in net position</i> from the Retained Risk Fund		481,812
Total difference	\$	<u>542,063</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, 2023. 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, 2023, the City’s bank balance deposit carrying value was \$28,301,061. Of this amount, \$27,984,162 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 \$42,140,747, 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, 2023 is as follows:

Restricted	\$ 7,805,257
Unrestricted	99,625,422
Total	\$ 107,430,679
Cash	\$ 24,923,068
Cash equivalents and investments	82,507,611
Total	\$ 107,430,679



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 \$40,366,864.

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, 2023, the City's fair value investments in the PTIF were \$3,167 more than the amortized cost of \$42,140,747. 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, 2023, the City's fair value investments in Moreton were \$720,317 less than the amortized cost of \$41,087,181 and were reported at \$40,366,864.



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, 2023:

	Fair Value Using			
		Level 1	Level 2	Level 3
Money Market	\$ 284,899	\$ 284,899	\$ -	\$ -
Utah Public Treasurer's Investment Fund	42,140,747	-	42,140,747	-
U.S. Gov't or U.S. Agencies	24,954,649	24,954,649	-	-
Corporate Notes	15,127,316	15,127,316	-	-
Total investments	\$ 82,507,611	\$ 40,366,864	\$ 42,140,747	\$ -

The following are the City's investment maturities as of June 30, 2023:

	Less than 1	1-5
Money Market	\$ 284,899	\$ -
Utah Public Treasurer's Investment Fund	42,140,747	-
U.S. Gov't or U.S. Agencies	4,706,416	20,248,233
Corporate Notes	6,424,548	8,702,768
Total investments	\$ 53,556,610	\$ 28,951,001

The following are the City's investment quality ratings as of June 30, 2023:

	Quality Ratings					
	6/30/23	AAA	AA	A	BBB+	Unrated
Money Market and Cash	\$ 284,899	\$ 284,899	\$ -	\$ -	\$ -	\$ -
Utah Public Treasurer's Investment Fund	42,140,747	-	-	-	-	42,140,747
U.S. Gov't or U.S. Agencies	24,954,649	3,463,030	1,106,786	2,512,755	696,846	17,175,232
Corporate Notes	15,127,316	-	5,825,275	9,302,041	-	-
Total investments	\$ 82,507,611	\$ 3,747,929	\$ 6,932,061	\$ 11,814,796	\$ 696,846	\$ 59,315,979



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	\$ 1,596,206	\$ 11,579,226	\$ 5,780,115	\$ 18,955,547	\$ (911,344)	\$ 18,044,203
Capital Projects	67,254	-	63,879	131,133	-	131,133
Redevelopment Agency	-	4,735,884	-	4,735,884	-	4,735,884
Library	-	2,533,432	-	2,533,432	-	2,533,432
Water	1,027,009	-	14,988	1,041,997	(7,433)	1,034,564
Wastewater	1,061,010	-	-	1,061,010	(9,019)	1,051,991
Power	3,755,990	-	-	3,755,990	(55,123)	3,700,867
Storm Water	257,908	-	-	257,908	(3,353)	254,555
Non-major	334,945	-	-	334,945	(1,782)	333,163
	<u>\$ 8,100,322</u>	<u>\$ 18,848,542</u>	<u>\$ 5,858,982</u>	<u>\$ 32,807,846</u>	<u>\$ (988,054)</u>	<u>\$ 31,819,792</u>

NOTE 6 – INTERFUND TRANSFERS

	Transfers In					NonMajor Proprietary	Total
	General Fund	Capital Projects	Redevelopment	Wastewater	Power		
Transfers Out:							
General	\$ -	\$ 10,895,306	\$ 325,000	\$ -	\$ -	\$ 60,000	\$ 11,280,306
Capital Projects	-	-	-	-	-	173,000	173,000
Redevelopment	317,900	-	-	21,125	21,125	-	360,150
Water	564,829	-	-	-	-	-	564,829
Wastewater	641,812	-	-	-	-	-	641,812
Power	2,902,964	-	-	-	-	-	2,902,964
	<u>\$ 4,427,505</u>	<u>\$ 10,895,306</u>	<u>\$ 325,000</u>	<u>\$ 21,125</u>	<u>\$ 21,125</u>	<u>\$ 233,000</u>	<u>\$ 15,923,061</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

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. 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. The balance remaining as of June 30, 2023 is \$662,087.

Ordinance 21-09 approved on March 2, 2021. A note from the Power Fund in the amount of \$329,775 to replace golf carts. This note will be repaid in five annual installment payments payable on November 1 each year. Annual principal and interest payments will occur through November 1, 2025. The note carries an interest rate of 2.0 percent. The balance remaining as of June 30, 2023 is \$197,212.



NOTE 8 – CAPITAL ASSETS

Governmental activities	Beg Balance	Increases	Decreases	End Balance
Capital assets, not being depreciated:				
Land	\$ 26,608,520	\$ 4,700	\$ -	\$ 26,613,220
Road and right of way land	47,863,665	469,710	-	48,333,375
Construction in progress	24,446,163	5,611,130	(22,678,690)	7,378,603
Total capital assets, not being depreciated	98,918,348	6,085,540	(22,678,690)	82,325,198
Capital assets, being depreciated:				
Buildings	44,946,616	32,449,385	-	77,396,001
Infrastructure	102,245,550	3,515,793	-	105,761,343
Machinery and equipment	19,379,798	4,184,577	(288,967)	23,275,408
Intangible right-to-use lease assets	9,539	8,221	-	17,760
Total capital assets being depreciated	166,581,503	40,157,976	(288,967)	206,450,512
Less accumulated depreciation and amortization for:				
Buildings	(21,632,857)	(1,229,190)	-	(22,862,047)
Infrastructure	(65,051,942)	(2,639,808)	-	(67,691,750)
Machinery and equipment	(14,225,287)	(1,443,941)	233,778	(15,435,450)
Intangible right-to-use lease assets	(3,469)	(3,697)	-	(7,166)
Total accumulated depreciation and amortization	(100,913,555)	(5,316,636)	233,778	(105,996,413)
Total capital assets, being depreciated, net	65,667,948	34,841,340	(55,189)	100,454,099
Governmental activities capital assets, net	\$ 164,586,296	\$ 40,926,880	\$ (22,733,879)	\$ 182,779,297
Business-type activities	Beg Balance	Increases	Decreases	End Balance
Capital assets, not being depreciated:				
Land	\$ 6,974,069	\$ -	\$ -	\$ 6,974,069
Construction in progress	1,857,374	2,312,595	(1,816,058)	2,353,911
Total capital assets, not being depreciated	8,831,443	2,312,595	(1,816,058)	9,327,980
Capital assets, being depreciated:				
Buildings	6,233,556	-	-	6,233,556
Infrastructure	191,500,575	4,651,246	-	196,151,821
Machinery and equipment	25,281,659	1,503,583	(201,184)	26,584,058
Intangibles	3,759,027	-	-	3,759,027
Intangible right-to-use subscription asset	-	390,945	-	390,945
Total capital assets being depreciated	226,774,817	6,545,774	(201,184)	233,119,407
Less accumulated depreciation and amortization for:				
Buildings	(5,624,428)	(108,183)	-	(5,732,611)
Infrastructure	(128,492,320)	(3,447,682)	-	(131,940,002)
Machinery and equipment	(16,840,794)	(1,482,202)	95,384	(18,227,612)
Intangibles	(2,913,931)	(76,551)	-	(2,990,482)
Intangible right-to-use subscription asset	-	(10,860)	-	(10,860)
Total accumulated depreciation and amortization	(153,871,473)	(5,125,478)	95,384	(158,901,567)
Total capital assets, being depreciated, net	72,903,344	1,420,296	(105,800)	74,217,840
Business-type activities capital assets, net	\$ 81,734,787	\$ 3,732,891	\$ (1,921,858)	\$ 83,545,820



NOTE 8 – CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 363,154
Public safety	1,335,961
Highways and public improvements	2,581,423
Parks, recreation and culture	1,036,098
Total depreciation expense	<u>\$ 5,316,636</u>

Business-type activities	
Water	\$ 1,422,722
Wastewater	599,944
Power	2,330,333
Murray Parkway	291,175
Solid Waste	37,690
Storm Water	443,614
Total depreciation expense	<u>\$ 5,125,478</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, 2023, the City has a 7.81 percent ownership share in the Trans-Jordan Cities (the Association) joint enterprise. The City recognized its equity income of a joint venture of \$224,358 in the Solid Waste Fund under nonoperating revenue.

Tipping fees paid from the Solid Waste Fund to Trans-Jordan Cities were \$313,048 for fiscal year 2023.



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 8.10 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 \$3,861,920 in fiscal year 2023. The City recorded a net increase in its investment in the Facility of \$668,004 in fiscal year 2023.

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, 2022 was \$3,532,790. 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, 2022 was \$4,318,964. During fiscal year 2022, the Facility issued in the aggregate \$175,825,000 of revenue bonds. The City's share of the total outstanding obligation at December 31, 2022 was \$12,726,023. 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. The Facility has withdrawn all of the funds to date and the City's share of released funds was \$5,566,050. In March 2021, the Facility closed on an agreement with Bank of Utah for a direct placement note of \$25 million. The City's share of this note at December 31, 2022 was \$1,935,495.

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. This plant was closed in September 2022.
- 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, 2023 is \$768,545, 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.

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 84114-5451.

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 – LEASES AND SUBSCRIPTION ASSETS AND PAYABLES

A. Lease Receivable

The City has entered into a lease agreement, as lessor, for the use of its animal shelter building by Salt Lake County. The lease receivable is measured as the present value of the future minimum rent payments to be received during the lease term at a discount rate of 1.87%, which is the City's estimated incremental borrowing rate from a recent bond issuance. The lease is for four years and the City will receive annual payments of \$65,118. For the year ended June 30, 2023, the City recognized \$61,602 of lease revenue and \$3,516 of interest income under the lease. As of June 30, 2023, the City's receivable for lease payments was \$126,677 and the deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term was \$126,677. This lease is recognized as a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

B. Lease Payables

The City has entered into two lease agreements, as a lessee, for the use of a mail machine and ice machine. The lease payable is measured as the present value of the future minimum rent payments to be made during the lease term at a discount rate of 1.87%, which is the City's estimated incremental borrowing rate. For the mail machine, an initial lease payable was recorded in the amount of \$9,539 during fiscal year 2022. In fiscal year 2023, the City recognized a lease payable for the ice machine in the amount of \$8,221. As of June 30, 2023, the value of these lease payables were \$10,649. The City is required to make monthly principal and interest payments of \$297 and \$235, respectively, for the mail machine and ice machine. The equipment has a 33- and 36-month useful life, respectively. The value of the intangible right-to-use lease assets as of June 30, 2023 was \$17,760, at cost, with accumulated amortization of \$7,166 (see note 8).

The future minimum lease obligations as of June 30, 2023 are as follows:

Year end June 30,	Principal	Interest	Total
2024	\$ 5,344	\$ 147	\$ 5,491
2025	2,744	76	2,820
2026	2,561	24	2,585
	<u>\$ 10,649</u>	<u>\$ 247</u>	<u>\$ 10,896</u>



NOTE 11 – LEASES AND SUBSCRIPTION ASSETS AND PAYABLE (continued)

C. Subscription Assets and Payable

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

In April 2023, the City entered into a 72 month subscription for the use of OSI software and services. An initial subscription asset was recorded at \$390,945, which included a prepayment of \$64,604 for year one, and the initial subscription payable was recorded in the amount of \$326,341. The City is required to make annual payments ranging from \$66,542 to \$74,895. The subscription has an interest rate of 2.65%, which was based on the estimated federal risk-free rate.

The amount of the intangible right-to-use subscription asset by major classes is as follows as of June 30, 2023:

Business-type activities

<u>Asset Class</u>	<u>Subscription Asset Value</u>	<u>Accumulated Amortization</u>
Software	\$ 390,945	10,860

Debt service requirements to maturity, including interest, for the subscription payable:

Business-type activities

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 57,894	\$ 8,648	\$ 66,542
2025	61,425	7,114	68,539
2026	65,109	5,486	70,595
2027	68,951	3,761	72,712
2028	72,962	1,933	74,895
	<u>\$ 326,341</u>	<u>\$ 26,942</u>	<u>\$ 353,283</u>



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 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>
2024	\$ 355,000	\$ 208,500	\$ 563,500
2025	370,000	194,000	564,000
2026	385,000	178,900	563,900
2027	405,000	163,100	568,100
2028	420,000	146,600	566,600
2029-2033	2,365,000	461,900	2,826,900
2034-2035	1,090,000	44,000	1,134,000
	<u>\$ 5,390,000</u>	<u>\$ 1,397,000</u>	<u>\$ 6,787,000</u>

B. 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>
2024	\$ 405,000	\$ 131,206	\$ 536,206
2025	420,000	114,706	534,706
2026	440,000	97,506	537,506
2027	455,000	79,606	534,606
2028	475,000	61,006	536,006
2029-2031	1,530,000	73,865	1,603,865
	<u>\$ 3,725,000</u>	<u>\$ 557,895</u>	<u>\$ 4,282,895</u>



NOTE 12 – LONG-TERM LIABILITIES (continued)

C. 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>
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	685,000	1,139,500	1,824,500
2028	715,000	1,111,500	1,826,500
2029-2033	4,020,000	5,097,000	9,117,000
2034-2038	4,915,000	4,206,300	9,121,300
2039-2043	6,005,000	3,118,100	9,123,100
2044-2048	7,330,000	1,788,600	9,118,600
2049-2051	5,160,000	315,200	5,475,200
	<u>\$ 30,725,000</u>	<u>\$ 20,351,700</u>	<u>\$ 51,076,700</u>

D. Series 2021 Sales Tax Revenue Bonds

Purpose: Road and transportation projects
Date of issuance: November 23, 2021
Interest rate: 0.50% - 2.65%
Original issuance: \$6,533,000

The Series 2021 Sales Tax Revenue Bonds were issued 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. 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>
2024	\$ 402,000	\$ 97,226	\$ 499,226
2025	405,000	93,997	498,997
2026	409,000	90,129	499,129
2027	414,000	85,807	499,807
2028	418,000	81,022	499,022
2029-2033	2,183,000	314,927	2,497,927
2034-2037	1,902,000	95,605	1,997,605
	<u>\$ 6,133,000</u>	<u>\$ 858,713</u>	<u>\$ 6,991,713</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>
2024	\$ 600,000	\$ 7,725	\$ 607,725
	<u>\$ 600,000</u>	<u>\$ 7,725</u>	<u>\$ 607,725</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>
2024	\$ 132,000	\$ 37,025	\$ 169,025
2025	136,000	33,725	169,725
2026	139,000	30,325	169,325
2027	142,000	26,850	168,850
2028	146,000	23,300	169,300
2029-2033	786,000	59,900	845,900
	<u>\$ 1,481,000</u>	<u>\$ 211,125</u>	<u>\$ 1,692,125</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>
2024	\$ 130,000	\$ 49,580	\$ 179,580
2025	135,000	46,850	181,850
2026	140,000	42,800	182,800
2027	140,000	38,600	178,600
2028	145,000	34,400	179,400
2029-2033	835,000	85,900	920,900
	<u>\$ 1,525,000</u>	<u>\$ 298,130</u>	<u>\$ 1,823,130</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>
2024	\$ 130,000	\$ 63,000	\$ 193,000
2025	135,000	57,800	192,800
2026	140,000	52,400	192,400
2027	150,000	46,800	196,800
2028	155,000	40,800	195,800
2029-2033	865,000	106,400	971,400
	<u>\$ 1,575,000</u>	<u>\$ 367,200</u>	<u>\$ 1,942,200</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>
2024	\$ -	\$ 80,540	\$ 80,540
2025	-	80,540	80,540
2026	263,000	80,540	343,540
2027	266,000	77,910	343,910
2028	269,000	75,250	344,250
2029-2033	1,384,000	335,400	1,719,400
2034-2038	1,571,000	263,650	1,834,650
2039-2043	1,730,000	180,790	1,910,790
2044-2048	1,818,000	92,560	1,910,560
2049-2050	753,000	11,310	764,310
	<u>\$ 8,054,000</u>	<u>\$ 1,278,490</u>	<u>\$ 9,332,490</u>



NOTE 12 – LONG-TERM LIABILITIES (continued)

J. Changes in Long-term Liabilities

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
<u>Governmental activities</u>					
Bonds payable					
Series 2016 Sales Tax Revenue Bonds	\$ 5,735,000	\$ -	\$ (345,000)	\$ 5,390,000	\$ 355,000
Series 2018 Sales Tax Revenue Bonds	4,115,000	-	(390,000)	3,725,000	405,000
Series 2020 Lease Revenue Bonds	31,310,000	-	(585,000)	30,725,000	605,000
Series 2021 Sales Tax Revenue Bonds	6,533,000	-	(400,000)	6,133,000	402,000
Unamortized premium	5,093,055	-	(258,619)	4,834,436	-
Lease payable	6,127	8,221	(3,699)	10,649	5,344
Total bonds and lease payable	52,792,182	8,221	(1,982,318)	50,818,085	1,772,344
Compensated absences	3,379,854	3,459,668	(3,280,519)	3,559,003	3,257,057
Total governmental long-term obligations	<u>\$ 56,172,036</u>	<u>\$ 3,467,889</u>	<u>\$ (5,262,837)</u>	<u>\$ 54,377,088</u>	<u>\$ 5,029,401</u>
<u>Business-type activities</u>					
Bonds payable					
Series 2012 Water and Sewer Revenue Bonds	\$ 1,185,000	\$ -	\$ (585,000)	\$ 600,000	\$ 600,000
Series 2012 Sewer Revenue Bonds	1,609,000	-	(128,000)	1,481,000	132,000
Series 2013 Storm Water Revenue Bonds	1,655,000	-	(130,000)	1,525,000	130,000
Series 2016 Storm Water Revenue Bonds	1,700,000	-	(125,000)	1,575,000	130,000
Series 2019 Water Revenue Bonds	8,054,000	-	-	8,054,000	-
Unamortized premium	137,486	-	(12,986)	124,500	-
Subscriptions payable	-	326,341	-	326,341	57,894
Total bonds and subscriptions payable	14,340,486	326,341	(980,986)	13,685,841	1,049,894
Compensated absences	1,428,999	1,222,447	(1,187,458)	1,463,988	1,325,272
Total business-type long-term obligations	<u>\$ 15,769,485</u>	<u>\$ 1,548,788</u>	<u>\$ (2,168,444)</u>	<u>\$ 15,149,829</u>	<u>\$ 2,375,166</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 \$350,000 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 exceeded insurance coverage in two 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 with an estimated construction completion of 2027.



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, 2023.

Project type	Contract Amount	Spent-to-date	Remaining commitment
Street and infrastructure improvement projects	\$ 5,266,467	\$ 739,460	\$ 4,527,007
City Hall construction	32,840,971	32,162,422	678,549
	<u>\$ 38,107,438</u>	<u>\$ 32,901,882</u>	<u>\$ 5,205,556</u>

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, 2023 was \$1,427,858, with a 2 percent increase per year through 2040. The payment commitment for fiscal year 2024 is \$1,968,937. The total debt service payments paid by the City as of June 30, 2023 is \$23,328,288. 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.

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 debt service and operational support. The City paid no operational expenses to UIA for the year ended June 30, 2023. The amount of required support for debt service is determined annually by UIA.

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, 2023, there are two outstanding series of Industrial Revenue Bonds. The principal amount payable is \$202.335 million for the Series 2003 bonds and \$134.78 million for the Series 2005 bonds, 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, 2023; 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 2023	FY 2022
Tax increment collection for various project areas	\$ 4,360,964	\$ 4,288,782
Public improvements, including housing donations	(263,470)	(173,131)
Debt service	(568,750)	(569,700)
Tax increment distributions	(1,515,629)	(1,448,910)
Administrative costs	(489,110)	(485,388)

As of June 30, 2023, 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	Taxes Abated 2023	Taxes Abated in Prior Years	Total Maximum Tax Abatement	Primary Purpose of the Abatement	Abatement Expires
Streit Avida, LLC	\$ 392,913	\$ 1,115,399	\$ 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	118,874	628,272	2,498,588	Urban renewal, commercial, housing	2033
Hamlet Development	251,445	1,374,924	3,205,586	Urban renewal, commercial, housing	2033
	<u>\$ 763,232</u>	<u>\$ 3,569,623</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* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.0% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending upon employer
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year all years to June 30, 2020; 2.0% per year July 1, 2020 to present	Up to 2.5%

*with actuarial reductions

**All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not 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, 2023 are as follows:

	Employee Paid	Paid by Employer for	Employer Contribution	Employer rate for 401(k) Plan
Contributory System				
11 - Local Governmental Division Tier 1	N/A	6.00%	13.96%	N/A
111 - Local Governmental Division Tier 2	N/A	N/A	16.01%	0.18%
Noncontributory System				
15 - Local Governmental Division Tier 1	N/A	N/A	17.97%	N/A
Public Safety Contributory System				
122 - Tier 2 DB Hybrid Public Safety	2.59%	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%	3.61%	N/A
132 - Tier 2 DB Hybrid Firefighters	2.59%	N/A	14.08%	N/A
Tier 2 DC Only				
211 - Local Government	N/A	N/A	6.19%	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, 2023, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 2,191,260	-
Contributory System	29,015	\$ 12,471
Public Safety System	1,169,165	-
Firefighters System	119,130	496,655
Tier 2 Public Employees System	1,040,345	-
Tier 2 Public Safety and Firefighter System	1,005,001	121,200
Tier 2 DC Only System	51,402	-
Tier 2 DC Public Safety and Firefighter System	30,067	-
Total Contributions	\$ 5,635,385	\$ 630,326

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, 2023, the City reported a net pension asset of \$2,394,348 and a net pension liability of \$6,038,119.

System	Measurement Date: December 31, 2022				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2021	Change (Decrease)
Noncontributory System	\$ -	\$ 2,248,293	1.3126809%	1.3630414%	-0.0503605%
Contributory System	-	193,422	1.8806667%	1.7837650%	0.0969017%
Public Safety System	-	3,197,442	2.4727429%	2.6404604%	-0.1677175%
Firefighters System	2,394,348	-	9.2195216%	10.4183780%	-1.1988564%
Tier 2 Public Employees System	-	289,040	0.2654440%	0.2736091%	-0.0081651%
Tier 2 Public Safety and Firefighter System	-	109,922	1.3176228%	1.2899438%	0.0276790%
	<u>\$ 2,394,348</u>	<u>\$ 6,038,119</u>			

The net pension asset and liability were measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2022 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, 2023, the City recognized a pension expense of \$2,565,008.

At June 30, 2023, 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 an actual experience	\$ 1,349,886	\$ 60,158
Changes in assumptions	915,181	20,723
Net difference between projected and actual earnings on pension plan investments	3,152,950	-
Changes in proportion and differences between contributions and proportionate share of contributions	428,948	238,609
Contributions subsequent to the measurement date	2,824,522	-
	<u>\$ 8,671,487</u>	<u>\$ 319,490</u>

Deferred outflows of resources related to pensions of \$2,824,522 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2022.



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:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (1,162,253)
2024	185,717
2025	1,530,537
2026	4,791,881
2027	32,341
Thereafter	149,252

Noncontributory system pension expense and deferred outflows and/or inflows of resources. At June 30, 2023, the City recognized pension expense of \$962,364.

At June 30, 2023, 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	\$ 762,588	\$ -
Changes in assumptions	368,465	8,978
Net difference between projected and actual earnings on pension plan investments	1,482,996	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	102,230
Contributions subsequent to the measurement date	1,079,222	-
	<u>\$ 3,693,271</u>	<u>\$ 111,208</u>

Deferred outflows of resources related to pensions of \$1,079,222 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2022.

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
2023	\$ (418,861)
2024	48,606
2025	595,662
2026	2,277,434



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, 2023, the City recognized a pension expense of \$406,837.

At June 30, 2023, 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	57,663	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	10,153	-
	<u>\$ 67,816</u>	<u>\$ -</u>

Deferred outflows of resources related to pensions of \$10,153 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2022.

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
2023	\$ (163,696)
2024	(48,911)
2025	44,346
2026	225,924



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, 2023, the City recognized pension expense of \$763,150.

At June 30, 2023, 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	\$ 14,156	\$ -
Changes in assumptions	85,757	-
Net difference between projected and actual earnings on pension plan investments	741,118	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	104,792
Contributions subsequent to the measurement date	564,538	-
	<u>\$ 1,405,569</u>	<u>\$ 104,792</u>

Deferred outflows of resources related to pensions of \$564,538, results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2022.

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
2023	\$ (648,185)
2024	(133,408)
2025	308,948
2026	1,208,884



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, 2023, the City recognized pension expense of (\$599,172).

At June 30, 2023, 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	\$ 422,490	\$ 12,238
Changes in assumptions	297,605	-
Net difference between projected and actual earnings on pension plan investments	640,592	-
Changes in proportion and differences between contributions and proportionate share of contributions	345,174	380
Contributions subsequent to the measurement date	59,167	-
	<u>\$ 1,765,028</u>	<u>\$ 12,618</u>

Deferred outflows of resources related to pensions of \$59,167 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2022.

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>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ 40,938
2024	261,519
2025	489,809
2026	900,977



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, 2023, the City recognized pension expense of \$554,710.

At June 30, 2023, 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	\$ 97,627	\$ 11,468
Changes in assumptions	93,836	735
Net difference between projected and actual earnings on pension plan investments	116,532	-
Changes in proportion and differences between contributions and proportionate share of contributions	57,800	14,593
Contributions subsequent to the measurement date	570,848	-
	<u>\$ 936,643</u>	<u>\$ 26,796</u>

Deferred outflows of resources related to pensions of \$570,848 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2022.

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
2023	\$ 17,176
2024	35,537
2025	56,115
2026	105,791
2027	25,534
Thereafter	98,846



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, 2023, the City recognized pension expense of \$477,119.

At June 30, 2023, 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	\$ 53,025	\$ 36,452
Changes in assumptions	69,518	11,010
Net difference between projected and actual earnings on pension plan investments	114,049	-
Changes in proportion and differences between contributions and proportionate share of contributions	25,974	16,614
Contributions subsequent to the measurement date	540,594	-
	<u>\$ 803,160</u>	<u>\$ 64,076</u>

Deferred outflows of resources related to pensions of \$540,594 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2022.

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
2023	\$ 10,375
2024	22,374
2025	35,657
2026	72,871
2027	6,807
Thereafter	50,406

Actuarial assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement.

Inflation	2.50 percent
Salary increases	3.25 - 9.25 percent, average, including inflation
Investment Rate of Return	6.85 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, 2022 valuation were based on an experience study of demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

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	35%	6.58%	2.30%
Debt securities	20%	1.08%	0.22%
Real assets	18%	5.72%	1.03%
Private equity	12%	9.80%	1.18%
Absolute return	15%	2.91%	0.44%
Cash and cash equivalents	0%	-0.11%	0.00%
Total	100%		5.17%
Inflation			2.50%
Expected arithmetic nominal return			7.67%

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

Discount rate. The discount rate used to measure the total pension liability was 6.85%. 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.



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 6.85 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 (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

	1% decrease (5.85%)	Discount rate (6.85%)	1% increase (7.85%)
Noncontributory System	\$ 14,169,494	\$ 2,248,293	\$ (7,712,498)
Contributory System	992,287	193,422	(484,586)
Public Safety System	10,297,378	3,197,442	(2,576,479)
Firefighters System	1,908,342	(2,394,348)	(5,886,109)
Tier 2 Public Employees System	1,262,948	289,040	(461,232)
Tier 2 Public Safety and Firefighter System	879,894	109,922	(502,022)
	<u>\$ 29,510,343</u>	<u>\$ 3,643,771</u>	<u>\$ (17,622,926)</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 2023	FY 2022	FY 2021
401 (k) Plan			
Employer contributions	\$ 1,219,276	\$ 1,108,823	\$ 1,060,494
Employee contributions	755,814	818,223	667,714
457 Plan			
Employer contributions	-	-	-
Employee contributions	324,791	369,774	355,729
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	143,397	113,113	74,117
Traditional IRA			
Employer contributions	N/A	N/A	N/A
Employee contributions	1,240	8,040	560



NOTE 18 – FUND BALANCE

Financial statement fund balance category details are as follows:

Fund Type	General Fund	Capital Projects Fund	RDA	Library	MBA	Cemetery	Total
Nonspendable							
Prepays	\$ 43,146	\$ -	\$ -	\$ 26,464	\$ -	\$ -	\$ 69,610
Endowment	-	-	-	18,162	-	-	18,162
Restricted							
Alcohol tax	172,194	-	-	-	-	-	172,194
Transportation sales tax	-	1,529,284	-	-	-	-	1,529,284
Class C roads	1,662,700	-	-	-	-	-	1,662,700
Impact fees	-	2,458,939	-	-	-	-	2,458,939
Historic smelter	-	-	-	-	-	-	-
State allowance	-	517,894	-	-	-	-	517,894
Debt service	198	-	151	-	557,835	-	558,184
Low-income housing	-	-	3,561,909	-	-	-	3,561,909
Capital projects	-	1,984,562	-	-	-	-	1,984,562
Committed							
Cemetery perpetual care	-	-	-	-	-	1,477,747	1,477,747
Assigned							
Capital projects	-	31,386,560	-	-	-	-	31,386,560
Redevelopment	-	-	5,190,187	-	-	-	5,190,187
Library	-	-	-	5,342,211	-	-	5,342,211
MBA	-	-	-	-	715,786	-	715,786
Unassigned	15,724,673	-	-	-	-	-	15,724,673
	\$ 17,602,911	\$ 37,877,239	\$ 8,752,247	\$ 5,386,837	\$ 1,273,621	\$ 1,477,747	\$ 72,370,602

NOTE 19 – RECENT ACCOUNTING PRONOUNCEMENT

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). The statement is meant to enhance the relevance and reliability of the City's financial statements by requiring the City to report subscription assets and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of the City's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The City implemented this statement and identified one SBITA in the Power Fund (see note 11).

In June 2015, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The statement is meant to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. The City has implemented this statement by continuing to report conduit debt in the notes section of the ACFR.

NOTE 20 – SUBSEQUENT EVENTS

On September 26, the Water department signed a contract with Cliff Johnson Excavating for \$917,881 to bury a water line which crosses at I-215 at 300 W. UDOT has requested the waterline be buried and will be reimbursing Murray City Water for all costs associated with the project.

On July 18, 2023, the City Council approved a 3 year Power rate increase schedule. The increase is 7% for General Service Small, and 14% for all other rate classes each year for 3 years. An automatic supply cost adjustment was also approved which will adjust bills up or down based on the actual amounts paid to supply power to the City.

REQUIRED SUPPLEMENTARY INFORMATION



For Fiscal Year Ended June 30, 2023



**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	\$ 24,958,000	\$ 24,958,000	\$ 29,169,548	\$ 4,211,548
Property taxes	11,705,878	11,705,878	11,930,390	224,512
Franchise taxes	4,076,000	4,076,000	4,961,592	885,592
Licenses and permits	1,785,500	1,785,500	2,110,221	324,721
Intergovernmental	5,965,440	6,051,110	6,004,629	(46,481)
Charges for services	3,801,468	3,901,468	4,656,023	754,555
Fines and forfeitures	901,500	901,500	1,026,195	124,695
Miscellaneous	72,000	72,000	181,437	109,437
Investment income	35,000	496,500	629,921	133,421
Total revenues	53,300,786	53,947,956	60,669,956	6,722,000
EXPENDITURES				
Current:				
General government				
Community and economic development	1,911,044	1,926,044	1,720,317	205,727
Finance and administration	2,449,954	2,449,954	2,439,622	10,332
Human resources	310,579	310,579	274,736	35,843
Information Technology	1,586,523	1,733,743	1,630,169	103,574
Justice court	1,116,259	1,116,259	950,672	165,587
Legal	957,142	957,142	831,705	125,437
Legislative	330,566	330,566	315,915	14,651
Mayor	509,245	559,245	518,307	40,938
Non-departmental	394,800	394,800	339,455	55,345
Total general government	9,566,112	9,778,332	9,020,898	757,434
Public safety				
Fire department	10,710,895	10,798,938	10,370,032	428,906
Police department	16,469,369	16,765,158	15,656,057	1,109,101
Total public safety	27,180,264	27,564,096	26,026,089	1,538,007
Highways and public improvements				
Engineering	1,169,861	1,169,861	957,677	212,184
Streets and highways	3,758,885	5,099,831	3,815,633	1,284,198
Total highways and public improvements	4,928,746	6,269,692	4,773,310	1,496,382
Parks, recreation, and culture				
Parks and recreation	8,238,661	8,549,207	8,154,940	394,267
Cemetery	563,873	563,873	520,601	43,272
Total parks, recreation, and culture	8,802,534	9,113,080	8,675,541	437,539
Debt service				
Principal	790,000	790,000	793,699	(3,699)
Interest and fiscal charges	249,239	249,239	250,537	(1,298)
Pledge payment - UTOPIA debt service	1,930,337	1,930,337	1,427,858	502,479
Total debt service	2,969,576	2,969,576	2,472,094	497,482
Total expenditures	53,447,232	55,694,776	50,967,932	4,726,844
Excess (deficiency) of revenues over expenditures	(146,446)	(1,746,820)	9,702,024	11,448,844
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	-	8,221	8,221
Transfers in	4,495,860	4,495,860	4,427,505	(68,355)
Transfers out	(4,921,678)	(11,280,306)	(11,280,306)	-
Net other financing sources (uses)	(425,818)	(6,784,446)	(6,844,580)	(60,134)
Net change in fund balance	(572,264)	(8,531,266)	2,857,444	\$ 11,388,710
Fund balance, beginning of year	14,745,467	14,745,467	14,745,467	
Fund balance, end of year	\$ 14,173,203	\$ 6,214,201	\$ 17,602,911	



**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
REVENUES				
Property taxes	\$ 4,617,435	\$ 4,617,435	\$ 838,316	\$ (3,779,119)
Intergovernmental	-	-	3,522,648	3,522,648
Miscellaneous	21,996	21,996	20,163	(1,833)
Investment income	20,000	20,000	247,982	227,982
Total revenues	4,659,431	4,659,431	4,629,109	(30,322)
EXPENDITURES				
Current:				
Highways and public improvements	2,742,920	2,742,920	1,908,059	834,861
Debt service				
Principal	345,000	345,000	345,000	-
Interest and fiscal charges	223,750	223,750	223,750	-
Total expenditures	3,311,670	3,311,670	2,476,809	834,861
Excess of revenues over expenditures	1,347,761	1,347,761	2,152,300	804,539
OTHER FINANCING SOURCES (USES)				
Transfers in	325,000	325,000	325,000	-
Transfers out	(360,150)	(360,150)	(360,150)	-
Net other financing sources (uses)	(35,150)	(35,150)	(35,150)	-
Net change in fund balance	1,312,611	1,312,611	2,117,150	\$ 804,539
Fund balance, beginning of year	6,635,097	6,635,097	6,635,097	
Fund balance, end of year	\$ 7,947,708	\$ 7,947,708	\$ 8,752,247	



**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	\$ 2,679,889	\$ 2,679,889	\$ 2,646,695	\$ (33,194)
Intergovernmental	11,400	28,068	27,608	(460)
Fines and forfeitures	10,000	10,000	16,553	6,553
Miscellaneous	5,000	5,000	8,894	3,894
Investment income	10,000	10,000	148,824	138,824
Total revenues	<u>2,716,289</u>	<u>2,732,957</u>	<u>2,848,574</u>	<u>115,617</u>
<u>EXPENDITURES</u>				
Current:				
Parks, recreation, and culture	2,285,518	2,302,186	2,008,902	293,284
Total expenditures	<u>2,285,518</u>	<u>2,302,186</u>	<u>2,008,902</u>	<u>293,284</u>
Net change of fund balance	430,771	430,771	839,672	\$ 408,901
Fund balance, beginning of year	4,547,165	4,547,165	4,547,165	
Fund balance, end of year	<u>\$ 4,977,936</u>	<u>\$ 4,977,936</u>	<u>\$ 5,386,837</u>	



**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>				
Miscellaneous	\$ 1,826,950	\$ 1,826,950	\$ 1,825,818	\$ (1,132)
Investment income	40,000	40,000	342,333	302,333
Total revenues	<u>1,866,950</u>	<u>1,866,950</u>	<u>2,168,151</u>	<u>301,201</u>
<u>EXPENDITURES</u>				
Current:				
General government	10,000	67,914	169,335	(101,421)
Capital outlay	10,647,000	15,427,592	14,327,900	1,099,692
Debt service				
Principal	585,000	585,000	585,000	-
Interest and fiscal charges	<u>1,241,950</u>	<u>1,241,950</u>	<u>1,243,200</u>	<u>(1,250)</u>
Total expenditures	<u>12,483,950</u>	<u>17,322,456</u>	<u>16,325,435</u>	<u>997,021</u>
Net change in fund balance	(10,617,000)	(15,455,506)	(14,157,284)	\$ 1,298,222
Fund balance, beginning of year	<u>15,430,905</u>	<u>15,430,905</u>	<u>15,430,905</u>	
Fund balance, end of year	<u>\$ 4,813,905</u>	<u>\$ (24,601)</u>	<u>\$ 1,273,621</u>	



**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 CALENDAR YEARS ***

MEASUREMENT DATE OF DECEMBER 31, 2022
JUNE 30, 2023

		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%
	2021	1.3630414%	(7,808,284)	12,060,370	-64.73%	108.7%
Contributory System	2022	1.3126809%	2,248,293	12,068,628	18.63%	97.5%
	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	2021	1.7837650%	(1,291,344)	262,003	-492.87%	115.9%
	2022	1.8806667%	193,422	264,023	73.26%	97.7%
	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%
Firefighters System	2020	2.6899647%	2,233,320	3,943,020	56.64%	95.5%
	2021	2.6404604%	(2,144,431)	3,804,396	-56.37%	104.2%
	2022	2.4727429%	3,197,442	3,666,581	87.20%	93.6%
	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%
Tier 2 Public Employees System	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%
	2021	10.4183780%	(6,076,168)	3,473,436	-174.93%	120.1%
	2022	9.2195216%	(2,394,348)	3,299,007	-72.58%	108.4%
	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	0.24719860%	21,795	2,417,294	0.90%	97.4%
Tier 2 Public Safety and Firefighter System	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%
	2021	0.2736091%	(115,802)	5,077,684	-2.28%	103.8%
	2022	0.2654440%	286,040	5,788,353	4.99%	92.3%
	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%
	2021	1.2899438%	(65,197)	3,084,740	-2.11%	102.8%
	2022	1.3176228%	109,922	4,054,043	2.71%	96.4%

* 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, 2023



SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS *
JUNE 30, 2023

		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%
	2022	2,169,949	2,169,949	-	11,928,424	18.19%
	2023	2,191,260	2,191,260	-	12,358,339	17.73%
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%
	2022	38,406	38,406	-	265,605	14.46%
	2023	29,015	29,015	-	207,841	13.96%
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%
	2022	1,215,519	1,215,519	-	3,748,503	32.43%
	2023	1,169,165	1,169,165	-	3,595,976	32.51%
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%
	2022	155,950	155,950	-	3,407,096	4.58%
	2023	119,130	119,130	-	3,300,684	3.61%
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%
	2022	867,729	867,729	-	5,399,684	16.07%
	2023	1,040,345	1,040,345	-	6,498,092	16.01%
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%
	2022	753,581	753,581	-	3,477,288	21.67%
	2023	1,005,001	1,005,001	-	4,679,565	21.48%
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%
	2022	44,323	44,323	-	662,530	6.69%
	2023	51,402	51,402	-	828,095	6.21%
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%
	2022	16,307	16,307	-	390,275	4.18%
	2023	30,067	30,067	-	567,208	5.30%

* 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

No changes were made in actuarial assumptions from the prior year's valuation.

NOTE 2- BASIS OF BUDGETING

Budgets are adopted on a basis consistent with U.S. GAAP.



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SUPPLEMENTARY INFORMATION



For Fiscal Year Ended June 30, 2023



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Perpetual care fees	\$ 8,500	\$ 8,500	\$ 18,370	\$ 9,870
Investment income	5,000	5,000	54,394	49,394
Total revenues	13,500	13,500	72,764	59,264
EXPENDITURES				
Current:				
Parks, recreation, and culture	-	-	-	-
Total expenditures	-	-	-	-
Net change of fund balance	13,500	13,500	72,764	\$ 59,264
Fund balance, beginning of year	1,404,983	1,404,983	1,404,983	
Fund balance, end of year	\$ 1,418,483	\$ 1,418,483	\$ 1,477,747	



**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
REVENUES				
Intergovernmental	\$ -	\$ 4,910,273	\$ 804,767	\$ (4,105,506)
Impact fees	-	-	2,344,240	2,344,240
Miscellaneous	-	-	14,078	14,078
Investment income	15,000	15,000	1,318,339	1,303,339
Total revenues	15,000	4,925,273	4,481,424	(443,849)
EXPENDITURES				
Current:				
General government	437,500	876,904	96,730	780,174
Public safety	1,618,000	2,548,575	617,718	1,930,857
Highways and public improvements	4,027,000	7,673,939	3,171,298	4,502,641
Parks, recreation, and culture	9,400,000	14,058,414	1,000,793	13,057,621
Capital outlay	-	8,245,592	8,245,592	-
Total expenditures	15,482,500	33,403,424	13,132,131	20,271,293
Excess (deficiency) of revenues over expenditures	(15,467,500)	(28,478,151)	(8,650,707)	19,827,444
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	62,955	62,955
Transfers in	4,536,678	10,895,306	10,895,306	-
Transfers out	(173,000)	(173,000)	(173,000)	-
Net other financing sources (uses)	4,363,678	10,722,306	10,785,261	62,955
Net change in fund balance	(11,103,822)	(17,755,845)	2,134,554	\$ 19,890,399
Fund balance, beginning of year	35,742,685	35,742,685	35,742,685	
Fund balance, end of year	\$ 24,638,863	\$ 17,986,840	\$ 37,877,239	



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
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	\$ 223,334	\$ 1,837,331	\$ 2,060,665
Investments	-	199,124	199,124
Accounts receivable (net of allowance)	-	25,952	25,952
Inventory	101,303	-	101,303
Total current assets	324,637	2,062,407	2,387,044
Noncurrent assets			
Investments	-	504,985	504,985
Capital assets			
Equipment	297,433	-	297,433
Less: Accumulated depreciation	(194,193)	-	(194,193)
Total noncurrent assets	103,240	504,985	608,225
Total assets	427,877	2,567,392	2,995,269
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension related	65,189	68,525	133,714
Total deferred outflows of resources	65,189	68,525	133,714
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable	4,096	63,338	67,434
Accrued liabilities	8,355	358,612	366,967
Compensated absences	38,843	45,295	84,138
Total current liabilities	51,294	467,245	518,539
Noncurrent liabilities			
Compensated absences	3,601	4,199	7,800
Net pension payable	35,726	37,554	73,280
Total noncurrent liabilities	39,327	41,753	81,080
Total liabilities	90,621	508,998	599,619
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related	1,943	2,043	3,986
Total deferred Inflows of resources	1,943	2,043	3,986
<u>NET POSITION</u>			
Net investment in capital assets	103,240	-	103,240
Unrestricted	297,262	2,124,876	2,422,138
Total net position	\$ 400,502	\$ 2,124,876	\$ 2,525,378



**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	\$ 506,855	\$ 1,898,072	\$ 2,404,927
Other	-	516,211	516,211
Total operating revenues	506,855	2,414,283	2,921,138
<u>OPERATING EXPENSES</u>			
Wages and benefits	389,005	371,256	760,261
Operations and maintenance	42,076	1,632,222	1,674,298
Depreciation	23,673	-	23,673
Total operating expenses	454,754	2,003,478	2,458,232
Operating income	52,101	410,805	462,906
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Investment income	8,150	71,007	79,157
Total nonoperating revenues (expenses)	8,150	71,007	79,157
Change net position	60,251	481,812	542,063
Total net position, beginning of year	340,251	1,643,064	1,983,315
Total net position, end of year	\$ 400,502	\$ 2,124,876	\$ 2,525,378



**STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

	Central Garage Fund	Retained Risk Fund	Total
Cash flows from operating activities			
Receipts from customers and users	\$ 506,855	\$ 2,391,476	\$ 2,898,331
Payments to suppliers of goods and services	(62,281)	(1,579,086)	(1,641,367)
Payments to employees for services	(407,879)	(395,608)	(803,487)
Net cash provided by operating activities	<u>36,695</u>	<u>416,782</u>	<u>453,477</u>
Cash flows from capital and related financing activities			
Purchases of capital assets	(31,138)	-	(31,138)
Net cash used by capital and related financing activities	<u>(31,138)</u>	<u>-</u>	<u>(31,138)</u>
Cash flows from investing activities			
Purchase of investments	-	(27,099)	(27,099)
Investment income	8,150	71,007	79,157
Net cash provided by investing activities	<u>8,150</u>	<u>43,908</u>	<u>52,058</u>
Net increase in cash and cash equivalents	13,707	460,690	474,397
Cash and cash equivalents - beginning of year	209,627	1,376,641	1,586,268
Cash and cash equivalents - end of year	<u>\$ 223,334</u>	<u>\$ 1,837,331</u>	<u>\$ 2,060,665</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 52,101	\$ 410,805	\$ 462,906
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	23,673	-	23,673
(Increase) decrease in receivables	-	(22,807)	(22,807)
(Increase) decrease in inventory and prepaid items	(12,166)	-	(12,166)
Increase (decrease) in liabilities	(26,913)	28,784	1,871
Net cash provided by operating activities	<u>\$ 36,695</u>	<u>\$ 416,782</u>	<u>\$ 453,477</u>



NONMAJOR PROPRIETARY FUNDS

Murray Parkway Recreation 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	\$ 1,514,960	\$ 1,698,528	\$ 64,258	\$ 3,277,746
Investments	-	-	15,127	15,127
Accounts receivable (net)	-	305,430	1,781	307,211
Notes receivable	-	-	18,418	18,418
Inventory	70,534	-	-	70,534
Total current assets	1,585,494	2,003,958	99,584	3,689,036
Noncurrent assets				
Restricted cash	1,500	-	-	1,500
Investments	-	-	38,361	38,361
Notes receivable	-	-	82,975	82,975
Investments in joint ventures	-	3,042,104	-	3,042,104
Capital assets				
Land	326,336	-	-	326,336
Buildings	888,454	-	-	888,454
Improvements other than buildings	6,147,369	-	-	6,147,369
Equipment	1,547,764	446,493	-	1,994,257
Less: Accumulated depreciation	(6,344,645)	(339,926)	-	(6,684,571)
Total noncurrent assets	2,566,778	3,148,671	121,336	5,836,785
Total assets	4,152,272	5,152,629	220,920	9,525,821
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	121,704	34,347	-	156,051
Total deferred outflows of resources	121,704	34,347	-	156,051
LIABILITIES				
Current liabilities				
Accounts payable	610	155,356	-	155,966
Accrued liabilities	187,725	4,857	-	192,582
Interfund payable	859,299	-	-	859,299
Compensated absences	78,126	17,343	-	95,469
Notes payable	-	-	18,418	18,418
Customer deposits	1,500	-	-	1,500
Total current liabilities	1,127,260	177,556	18,418	1,323,234
Noncurrent liabilities				
Notes payable	-	-	82,975	82,975
Compensated absences	7,242	1,607	-	8,849
Net pension payable	66,697	18,823	-	85,520
Total noncurrent liabilities	73,939	20,430	82,975	177,344
Total liabilities	1,201,199	197,986	101,393	1,500,578
DEFERRED INFLOWS OF RESOURCES				
Pension related	3,627	1,024	-	4,651
Total deferred inflows of resources	3,627	1,024	-	4,651
NET POSITION				
Net investment in capital assets	2,565,278	106,567	-	2,671,845
Unrestricted	503,872	4,881,399	119,527	5,504,798
Total net position	\$ 3,069,150	\$ 4,987,966	\$ 119,527	\$ 8,176,643



**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	\$ 1,739,866	\$ 2,527,181	\$ 47,595	\$ 4,314,642
Other	3,173	534	-	3,707
Total operating revenues	<u>1,743,039</u>	<u>2,527,715</u>	<u>47,595</u>	<u>4,318,349</u>
<u>OPERATING EXPENSES</u>				
Wages and benefits	865,809	210,564	-	1,076,373
Administrative fees	-	319,647	-	319,647
Operations and maintenance	516,862	1,632,469	43,614	2,192,945
Depreciation and amortization	291,175	37,690	-	328,865
Total operating expenses	<u>1,673,846</u>	<u>2,200,370</u>	<u>43,614</u>	<u>3,917,830</u>
Operating income (loss)	<u>69,193</u>	<u>327,345</u>	<u>3,981</u>	<u>400,519</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>				
Investment income	49,998	58,096	4,455	112,549
Interest and fiscal charges	(20,523)	-	-	(20,523)
Equity in income of joint venture	-	224,358	-	224,358
Gain on disposal of assets	16,000	-	-	16,000
Total nonoperating revenues (expenses)	<u>45,475</u>	<u>282,454</u>	<u>4,455</u>	<u>332,384</u>
Income (loss) before transfers	114,668	609,799	8,436	732,903
Transfers in	233,000	-	-	233,000
Change in net position	347,668	609,799	8,436	965,903
Total net position, beginning of year	2,721,482	4,378,167	111,091	7,210,740
Total net position, end of year	<u>\$ 3,069,150</u>	<u>\$ 4,987,966</u>	<u>\$ 119,527</u>	<u>\$ 8,176,643</u>



**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	\$ 1,743,039	\$ 2,518,767	\$ 48,139	\$ 4,309,945
Payments to suppliers of goods and services	(562,363)	(1,642,177)	(48,144)	(2,252,684)
Payments to employees for services	(947,125)	(221,508)	-	(1,168,633)
Payment for interfund services	-	(319,647)	-	(319,647)
Net cash provided (used) by operating activities	233,551	335,435	(5)	568,981
Cash flows from noncapital financing activities				
Transfers from other funds	233,000	-	-	233,000
Changes to interfund receivables and payables	(166,844)	-	-	(166,844)
Net cash provided by noncapital financing activities	66,156	-	-	66,156
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	16,000	-	-	16,000
Purchases of capital assets	(191,158)	-	-	(191,158)
Interest and fiscal charges paid on capital debt	(20,523)	-	-	(20,523)
Net cash used by capital and related financing activities	(195,681)	-	-	(195,681)
Cash flows from investing activities				
Sale (purchase) of investments	-	-	(2,059)	(2,059)
Investment income	49,998	58,096	4,455	112,549
Net cash provided by investing activities	49,998	58,096	2,396	110,490
Net increase in cash and cash equivalents	154,024	393,531	2,391	549,946
Cash and cash equivalents - beginning of year	1,362,436	1,304,997	61,867	2,729,300
Cash and cash equivalents - end of year	\$ 1,516,460	\$ 1,698,528	\$ 64,258	\$ 3,279,246
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ 69,193	\$ 327,345	\$ 3,981	\$ 400,519
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization	291,175	37,690	-	328,865
(Increase) decrease in receivables	-	(8,948)	544	(8,404)
(Increase) decrease in inventory and prepaid items	(13,105)	39,462	-	26,357
Increase (decrease) in liabilities	(113,712)	(60,114)	(4,530)	(178,356)
Net cash provided (used) by operating activities	\$ 233,551	\$ 335,435	\$ (5)	\$ 568,981

STATISTICAL SECTION



For Fiscal Year Ended June 30, 2023



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.



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SCHEDULE 1 - NET POSITION BY COMPONENT

Last Ten Fiscal Years

Accrual basis of accounting

(Amounts expressed in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	\$133,392	\$133,036	\$133,861	\$131,608	\$121,879	\$68,475	\$70,308	\$64,825	\$60,998	\$56,505
Restricted	7,667	4,823	3,566	2,141	8,495	8,859	5,616	4,030	3,633	5,878
Unrestricted	66,423	52,596	36,124	22,584	17,107	20,424	16,245	16,398	15,199	20,496
Total governmental net position	207,482	190,455	173,551	156,333	147,481	97,758	92,169	85,253	79,830	82,879
Business-type activities										
Net investment in capital assets	69,401	67,447	67,917	67,590	69,011	66,553	66,627	71,916	63,107	62,237
Restricted	273	263	265	269	1,546	1,919	2,803	296	599	2,303
Unrestricted	48,500	57,030	52,062	49,376	41,667	28,097	25,233	20,862	24,469	24,284
Total business-type net position	118,174	124,740	120,244	117,235	112,224	96,569	94,663	93,074	88,175	88,824
Primary government										
Net investment in capital assets	202,793	200,483	201,778	199,198	190,890	135,028	136,935	136,741	124,105	118,742
Restricted	7,940	5,086	3,831	2,410	10,042	10,778	8,419	4,326	4,232	8,181
Unrestricted	114,923	109,626	88,186	71,960	58,774	48,521	41,478	37,260	39,668	44,780
Total primary government net position	\$325,656	\$315,195	\$293,795	\$273,568	\$259,706	\$194,327	\$186,832	\$178,327	\$168,005	\$171,703



SCHEDULE 2 - CHANGE IN NET POSITION

Last Ten Fiscal Years

Accrual basis of accounting

(Amounts expressed in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities										
General government	\$10,193	\$7,198	\$8,610	\$10,547	\$11,048	\$8,858	\$8,988	\$8,192	\$8,195	\$8,279
Public safety	27,454	24,473	22,793	23,740	23,587	19,238	20,510	19,661	17,450	17,996
Highways and public improvements	12,165	8,864	8,775	8,798	7,993	6,253	6,842	6,870	6,291	6,837
Parks, recreation, and culture	12,081	9,675	9,084	9,058	9,158	9,931	8,682	8,444	8,030	7,947
Debt service - interest and fiscal charges	1,452	1,488	1,267	335	350	335	323	317	303	336
Total governmental expenses	63,346	51,698	50,529	52,478	52,136	44,615	45,345	43,484	40,269	41,395
Business-type activities										
Water	6,162	5,412	5,399	5,365	4,864	4,828	4,755	4,560	4,399	4,139
Wastewater	6,614	5,715	4,961	5,282	4,464	6,748	5,612	3,425	3,555	3,412
Power	47,748	34,733	36,986	32,730	31,635	32,142	32,080	32,429	32,613	32,412
Murray parkway	1,694	1,424	1,492	1,493	1,501	1,382	1,729	1,295	1,394	1,290
Telecom	44	56	60	77	72	83	68	84	69	71
Solid waste	2,200	2,106	2,012	1,945	1,714	1,616	1,571	1,323	1,229	1,189
Storm water	2,263	1,978	2,242	2,990	2,709	2,614	2,457	2,342	2,452	2,240
Total business-type activities expenses	66,725	51,424	53,152	49,882	46,959	49,413	48,272	45,458	45,711	44,753
Total primary government expenses	\$130,071	\$103,122	\$103,681	\$102,360	\$99,095	\$94,028	\$93,617	\$88,942	\$85,980	\$86,148
Program revenues										
Governmental activities										
Charges for services										
General government	\$5,208	\$3,471	\$3,200	\$3,360	\$5,534	\$3,159	\$3,545	\$3,680	\$3,340	\$3,338
Public safety	2,690	3,217	2,700	2,019	2,608	2,123	2,176	1,808	1,661	1,531
Highways & public improvements	-	-	-	-	1,810	-	-	-	63	71
Parks, recreation, and culture	1,996	1,823	1,236	1,387	1,988	1,779	1,777	2,025	1,739	1,695
Operating grants and contributions	8,751	8,102	8,326	6,019	-	2,527	2,638	2,514	3,306	-
Capital grants & contributions	5,361	1,056	4,714	3,616	4,780	429	2,239	1,496	213	4,606
Total governmental program revenues	24,006	17,669	20,176	16,401	16,720	10,017	12,375	11,523	10,322	11,241
Business-type activities										
Charges for services										
Water	7,129	6,451	7,426	7,286	6,046	5,751	5,802	5,476	5,245	5,497
Wastewater	8,061	6,038	5,369	5,092	4,833	4,743	4,878	4,815	4,600	4,371
Power	37,353	35,945	36,886	36,258	37,853	37,389	37,254	38,173	36,824	37,514
Murray parkway	1,743	1,726	1,643	1,426	1,254	1,252	1,180	1,274	1,394	1,320
Telecom	47	52	60	69	74	84	68	84	71	71
Solid waste	2,528	2,496	2,530	2,286	1,793	1,659	1,605	1,485	1,385	1,369
Storm water	2,968	2,678	2,362	1,915	1,918	1,879	1,650	1,641	1,617	1,864
Operating grants & contributions	-	1,177	193	25	-	-	-	-	-	-
Capital grants & contributions	1,910	2,096	1,771	1,794	3,309	256	702	167	178	38
Total business-type program revenues	61,739	58,659	58,240	56,151	57,080	53,013	53,139	53,115	51,314	52,044
Total primary government program revenues	\$85,745	\$76,328	\$78,416	\$72,552	\$73,800	\$63,030	\$65,514	\$64,638	\$61,636	\$63,285
Net (expense)/revenue										
Governmental activities	\$(39,340)	\$(34,029)	\$(30,353)	\$(36,077)	\$(35,416)	\$(34,598)	\$(32,970)	\$(31,961)	\$(29,947)	\$(30,154)
Business-type activities	(4,986)	7,235	5,088	6,269	10,121	3,600	4,867	7,657	5,603	7,291
Total primary government net expense	\$(44,326)	\$(26,794)	\$(25,265)	\$(29,808)	\$(25,295)	\$(30,998)	\$(28,103)	\$(24,304)	\$(24,344)	\$(22,863)



SCHEDULE 2 - CHANGE IN NET POSITION (continued)

Last Ten Fiscal Years

Accrual basis of accounting

(Amounts expressed in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General revenues & other changes in net position										
Governmental activities										
Taxes										
Sales taxes	\$29,170	\$28,839	\$25,403	\$22,327	\$20,769	\$20,320	\$19,434	\$17,596	\$14,181	\$13,548
Property taxes	15,415	13,737	13,693	13,194	13,475	10,996	11,093	11,031	11,052	10,293
Franchise taxes	4,962	4,444	4,208	4,301	4,459	4,630	4,666	4,794	4,724	4,932
Investment income	2,821	46	318	937	1,007	455	391	232	171	120
Gain/(loss) on sale & disposal of assets	8	57	48	64	69	(2)	57	82	31	57
Miscellaneous	157	219	253	402	260	292	608	417	349	279
Rent, transfers & miscellaneous	3,834	3,591	3,648	3,704	1,374	3,599	3,638	3,231	4,173	3,565
Total governmental activities	<u>56,367</u>	<u>50,933</u>	<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>
Business-type activities										
Investment income	1,346	151	265	1,035	1,076	626	408	383	308	288
Equity investment income	892	642	1,226	1,384	1,173	-	-	-	-	-
Gain/(loss) on sale & disposal of assets	16	59	78	27	83	(105)	3	90	50	25
Rent & transfers	(3,834)	(3,591)	(3,648)	(3,704)	(1,374)	(3,599)	(3,638)	(3,231)	(4,173)	(3,565)
Total business-type activities	<u>(1,580)</u>	<u>(2,739)</u>	<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>
Total primary government	<u>\$54,787</u>	<u>\$48,194</u>	<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>
Change in net position										
Governmental activities	\$17,027	\$16,904	\$17,218	\$8,852	\$5,997	\$5,692	\$6,917	\$5,422	\$4,734	\$2,640
Business-type activities	<u>\$(6,566)</u>	<u>\$4,496</u>	<u>\$3,009</u>	<u>5,011</u>	<u>11,079</u>	<u>522</u>	<u>1,640</u>	<u>4,899</u>	<u>1,788</u>	<u>4,039</u>
Total primary government	<u>\$10,461</u>	<u>\$21,400</u>	<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>

Note: From FY2014 to FY2017 the state auditor required E911 fees passed to VECC to be recorded as an expense and revenue for Public Safety.
Prior to FY2019 change in equity for Joint ventures was recorded as a decrease to operating expense.



SCHEDULE 3 - FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Modified accrual basis of accounting
(Amounts expressed in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General fund										
Nonspendable	\$43	\$3	\$23	\$13	\$13	\$52	\$129	\$173	\$148	\$123
Restricted	1,835	1,274	166	121	58	121	340	104	258	163
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	15,725	13,468	12,562	11,758	11,382	10,164	8,797	9,280	8,624	8,440
Total general fund	<u>\$17,603</u>	<u>\$14,745</u>	<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>
All other governmental funds										
Nonspendable	\$45	\$106	\$782	\$39	\$681	\$35	\$39	\$36	\$34	\$16
Restricted	10,611	24,798	32,769	2,020	8,438	8,651	5,260	3,926	3,374	5,715
Committed	1,478	1,405	1,416	1,399	1,349	1,433	1,420	1,354	1,046	1,404
Assigned	42,635	37,452	26,967	18,227	13,436	14,193	12,016	10,999	11,282	10,368
Total all other governmental funds	<u>\$54,768</u>	<u>\$63,761</u>	<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>



SCHEDULE 4 - CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Modified accrual basis of accounting

(Amounts expressed in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes & special assessments	\$49,547	\$47,020	\$43,304	\$39,822	\$38,703	\$35,946	\$35,193	\$33,421	\$29,956	\$28,773
Licenses & permits	2,110	2,339	2,205	2,171	1,830	1,776	2,088	1,989	1,530	1,400
Impact Fees ²	2,344	110	-	-	-	-	-	-	-	-
Intergovernmental	10,360	8,506	11,583	5,999	6,018	2,709	3,974	3,372	2,905	4,417
Charges for services	4,674	4,416	3,387	3,292	3,785	3,720	3,479	3,419	2,944	2,892
Fines & forfeitures	1,043	918	817	1,044	1,287	1,245	1,347	1,623	1,810	1,938
Emergency 911 Fees ¹	-	-	-	-	-	-	475	466	448	424
Miscellaneous	2,050	286	319	480	417	292	608	418	349	279
Investment income	2,742	57	307	885	949	426	371	220	163	113
Total revenues	74,870	63,652	61,922	53,693	52,989	46,114	47,535	44,928	40,105	40,236
Expenditures										
General government	9,287	6,801	6,756	7,700	8,240	6,767	6,659	6,374	6,355	6,169
Public safety	26,644	24,598	22,989	22,145	21,674	18,597	18,993	18,371	17,483	17,387
Highways & public improvements	9,853	6,900	6,563	6,320	5,645	4,220	4,598	4,790	4,536	6,190
Parks, recreation and culture	11,652	9,725	8,436	7,859	7,951	9,106	7,579	7,660	7,238	5,785
Capital outlay	22,606	17,342	11,910	12,281	9,187	7,720	12,603	5,910	6,608	3,315
Debt service										
Principal	1,724	1,003	815	790	771	511	4,376	2,008	1,565	1,289
Interest	1,717	1,707	1,093	475	499	434	420	349	331	353
Bond issuance costs	-	43	279	-	-	-	-	-	-	-
Pledge payment - UTOPIA	1,428	1,892	1,855	1,819	1,783	1,748	1,714	1,680	1,647	1,615
Total expenditures	84,911	70,011	60,696	59,389	55,750	49,103	56,942	47,142	45,763	42,103
Excess of revenues over (under)										
expenditures	(10,041)	(6,359)	1,226	(5,696)	(2,761)	(2,989)	(9,407)	(2,214)	(5,658)	(1,867)
Other financing sources (uses)										
Proceeds from borrowing	-	6,533	36,186	-	-	5,898	7,521	-	-	1,343
Lease financing	8	-	-	-	-	-	-	-	-	420
Transfers in	15,648	24,078	16,503	13,064	11,263	17,048	9,632	8,583	8,255	8,471
Transfers out	(11,814)	(20,487)	(12,855)	(9,304)	(7,873)	(13,448)	(5,694)	(5,346)	(4,074)	(4,906)
Sales of capital assets	63	57	48	156	78	40	77	82	16	29
Total other financing sources (uses)	3,905	10,181	39,882	3,916	3,468	9,538	11,536	3,319	4,197	5,357
Net change in fund balances	\$(6,136)	\$3,822	\$41,108	\$(1,780)	\$707	\$6,549	\$2,129	\$1,105	\$(1,461)	\$3,490
Debt service as a % of noncapital expenditures	7.81%	8.74%	7.71%	6.55%	6.56%	6.51%	14.68%	9.79%	9.05%	8.40%

Notes: Park Impact Fees were not charged prior to FY2022.



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
2023	\$14,577,085	\$4,360,964	\$28,879,297	\$4,961,592	\$290,251	\$53,069,189
2022	12,875,195	4,288,782	28,590,324	4,443,451	249,092	50,446,844
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

*Note: In FY 2016, the City passed a 0.2% sales tax authorized by the Utah State Legislature. In FY 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. In FY 2023, the City passed a 15% 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
2022	2023	\$7,527,288,443	\$11,270,474,543	66.79%	0.001513	0.000342
2021	2022	6,100,259,182	8,994,494,525	67.82%	0.001608	0.000418
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

Source: Utah State Tax Commission – Property Tax Division (www.taxrates.utah.gov and www.propertytax.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
2022	2023	0.001513	0.000342	0.005105	0.001459	0.000168	0.000400
2021	2022	0.001608	0.000418	0.005785	0.001777	0.000115	0.000400
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

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
2022	2023	\$10,905,878	\$11,172,507	102.44%	-	\$11,172,507	102.44%
2021	2022	9,425,959	9,513,442	100.93%	127,018	9,640,460	102.28%
2020	2021	9,298,286	9,451,733	101.65%	136,853	9,588,586	103.12%
2019	2020	9,188,763	9,155,416	99.64%	173,980	9,329,396	101.53%
2018	2019	9,096,000	9,367,632	102.99%	237,609	9,605,241	105.60%
2017	2018	6,173,908	6,236,623	101.02%	247,246	6,483,869	105.02%
2016	2017	6,081,431	6,165,882	101.39%	134,190	6,300,072	103.60%
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%

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, 2023 and 2014

Taxpayer	Business Type	2023			2014		
		Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Fashion Place SA LLC	Retail	\$341,262,200	1	4.3%	\$97,824,500	1	2.9%
IHC Health Services 5121 S Cottonwood	Office	124,927,880	2	1.6%	90,982,870	2	2.7%
Sreit Avida, LLC	Housing	58,062,383	3	0.7%			
Acension LLC	Office	52,435,900	4	0.7%			
Stillwater Apartments	Housing	50,110,610	5	0.6%	21,187,540	4	0.6%
5300 Development LLC	Office	47,800,953	6	0.6%			
Mig Cobble Creek, LLC	Housing	47,227,840	7	0.6%	17,071,175	6	0.5%
Murray Crossing LLC	Housing	43,032,545	8	0.5%			
The Pointe @ 53rd LLC	Retail	41,528,800	9	0.5%	28,069,200	3	
Gelt Lake Pines, LLC	Housing	36,249,180	10	0.5%			
IHC Health Services 5383 S Green	Office		15		20,498,760	5	0.6%
5300 South Center LLC	Office		24		15,792,120	7	0.5%
Bridge Office Building	Office		29		13,723,100	8	0.4%
James Pointe Apartments	Housing		11		13,681,855	9	0.4%
IHC Health Services 5201 S Intermountain	Office		26		13,280,500	10	0.4%
		<u>\$842,638,291</u>		<u>10.7%</u>	<u>\$322,111,620</u>		<u>9.8%</u>

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

Notes: Annual amounts are shown only for the top ten ranked properties.



SCHEDULE 10 - PRINCIPAL SALES TAXPAYERS
 For Years Ended June 30, 2023 and 2014

Taxpayer	2023		2014	
	Rank	Percentage of Total City Sales Taxes	Rank	Percentage of Total City Sales Taxes
Retail	1	6.89%	1	8.58%
Vehicle Sales	2	3.55%	2	3.35%
Retail	3	2.66%	9	2.00%
Vehicle Sales	4	2.56%	5	2.38%
Vehicle Sales	5	2.45%	11	1.65%
Vehicle Sales	6	2.41%	6	2.19%
Online Retailers	7	2.31%		
Vehicle Sales	8	2.28%	12	1.65%
Retail	9	2.13%	8	2.04%
Vehicle Sales	10	2.06%	10	1.99%
Vehicle Sales	11	1.70%	7	2.18%
Retail	12	1.67%	4	2.68%
Retail	13	1.33%	16	1.24%
Retail	14	1.27%	17	1.22%
Vehicle Sales	15	1.18%	18	1.00%
Online Retailer	16	1.14%		
Retail	17	1.10%		
Vehicle Sales	18	1.02%		
Vehicle Sales	19	0.96%		
Retail	20	0.95%		
Retail			3	2.72%
Municipality			13	1.38%
Retail			14	1.38%
Vehicle Sales			15	1.29%
Retail			19	0.97%
		<u>41.62%</u>		<u>41.89%</u>

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
2023	1.20%	1.40%	4.85%
2022	1.20%	1.40%	4.85%
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%

Source: Utah State Tax Commission – Sales Tax Division (www.tax.utah.gov/sales/rates)



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	Leases	Revenue Bonds	Leases			
2023	\$50,807,436	\$10,649	\$13,359,500	\$326,341	\$64,503,926	1.79%	\$1,304
2022	52,786,055	6,127	14,340,486	-	67,132,668	2.00%	1,350
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

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	\$21,330,000	100.00%	\$ 21,330,000
Salt Lake County General Obligation Debt	125,500,000	4.560%	5,722,800
Other debt			
Salt Lake County Sales Tax Bonds	133,000,000	4.17%	5,546,100
Salt Lake County Direct placement STR Bonds	17,900,000	4.17%	746,430
Salt Lake County Lease Revenue Bonds	77,500,000	4.17%	3,231,750
Salt Lake County Capital Leases	3,000,000	4.17%	125,100
Salt Lake County Transportation Rev. Bonds	56,500,000	4.17%	2,356,050
Salt Lake County Notes Payable	64,000,000	4.17%	2,668,800
Murray City Schools Lease Revenue Bonds	3,250,000	100.00%	3,250,000
Subtotal, overlapping debt			44,977,030
Murray City direct debt			50,818,085
Total direct and overlapping debt			<u>\$95,795,115</u>

Sources: Murray School District and Salt Lake County ACFR(s) for the latest available fiscal year (FY 2022)

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 2022 Census estimate.
- (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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt limit										
General (4% Fair Cash Value)	\$450,819	\$359,780	\$333,574	\$307,914	\$281,730	\$258,182	\$237,794	\$219,104	\$207,780	\$196,347
Water and Sewer (4% Fair Cash Value)	450,819	359,780	333,574	307,914	281,730	258,182	237,794	219,104	207,780	196,347
Total 8% Debt Limit	901,638	719,560	667,149	615,827	563,460	516,365	475,588	438,207	415,560	392,695
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$901,638</u>	<u>\$719,560</u>	<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>
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	\$7,527,288									
Estimated Actual Real Taxable Value	\$11,270,475									
Debt Limit (8% of Reasonable Fair Cash Value)	901,638									
Debt Applicable to Limit:										
General Obligation Bonds	-									
Less: Amount Set Aside for Repayment of General Obligation Debt	<u>-</u>									
Total Net Debt Applicable to Limit	<u>-</u>									
Legal Debt Margin	<u>\$901,638</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		Coverage		
		Principal	Interest			
2023	\$29,169,548	\$1,135,000	\$469,239	18.18		
2022	28,839,416	1,000,000	446,887	19.93		
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		

Lease Revenue Bonds						
Fiscal Year	Lease Revenue ¹	Debt Service		Coverage		
		Principal	Interest			
2023	\$1,825,818	\$585,000	\$1,240,700	1.00		
2022	-	-	1,252,400	-		
2021	-	-	650,552	-		

Electric Revenue Bonds						
Fiscal Year	Utility Revenues ²	Less Utility Expenses ³	Total Available Revenue	Debt Service		Coverage
				Principal	Interest	
2023	\$38,293,719	\$45,417,213	\$(7,123,494)	\$ -	\$ -	N/A
2022	36,110,522	31,658,685	4,451,837	-	-	N/A
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

Water and Sewer Revenue Bonds						
Fiscal Year	Utility Revenues ²	Less Utility Expenses ³	Total Available Revenue	Debt Service		Coverage
				Principal	Interest	
2023	\$16,089,302	\$10,580,358	\$5,508,944	\$713,000	\$137,581	6.48
2022	13,874,217	8,946,355	4,927,862	695,000	161,742	5.75
2021	13,943,150	8,380,527	5,562,623	677,000	179,277	6.50
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

References:

- (1) Lease revenue was not received until FY2023 when the first principal payment was made.
- (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

Storm Water Revenue Bonds						
Fiscal Year	Utility Revenues ²	Less Utility Expenses ³	Total Available Revenue	Debt Service		Coverage
				Principal	Interest	
2023	\$3,028,574	\$1,712,386	\$1,316,188	\$255,000	\$117,013	3.54
2022	3,731,089	1,464,858	2,266,231	245,000	127,792	6.08
2021	2,371,403	1,426,508	944,895	240,000	134,892	2.52
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

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
2023	49,463	\$3,594,525,673	\$72,671	2.6%
2022	49,729	3,352,679,451	67,419	2.0%
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%

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, 2023 and 2014

Employer	Industry Type	2023		2014	
		Rank	Employees	Rank	Employees
Intermountain Medical Center	Health Care - Hospital	1	6999*	1	4463
SelectHealth	Health Care- Insurance	2	1999*	2	1200
IHC Health Services - TOSH	Health Care - Hospital	3	999*	5	757
Murray City School District	Public Education	4	950	3	862
Murray City Corporation	City Government	5	751	4	752
IHC Health Services	Health Care - Medical Lab	6	378		
Costco Wholesale Corp	Retailer	7	368	T9	255
3M Health Information Systems	Data Processing Services	8	350	7	350
Nordstrom, Inc.	Retailer	9	294	8	268
The Cheesecake Factory	Retailer	10	255	T9	255

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government	59	58	63	60	57	68	64	63	63	62
Police										
Officers	80	82	79	80	83	76	78	76	72	70
Civilians	11	11	11	11	8	9	9	11	12	11
Fire										
Firefighters	63	64	63	62	59	63	62	63	59	55
Civilians	1	1	2	2	2	1	1	1	1	1
Highways & Public Improvements	23	21	21	30	31	28	29	27	28	27
Parks & Recreation	41	42	43	35	37	35	38	35	35	34
Library	11	12	10	11	9	11	12	11	11	12
Community & Economic Development	14	14	14	7	7	6	6	7	7	7
Central Garage	4	3	4	4	4	4	4	4	4	4
Power	50	49	46	47	46	46	45	46	46	46
Water	23	24	21	21	18	17	17	17	17	17
Wastewater	9	9	9	8	7	8	8	7	8	7
Golf Course	6	6	6	6	6	6	7	7	7	7
Solid Waste	1	2	2	2	2	2	2	1	0	0
Storm Water	9	8	9	8	7	8	8	7	8	7
Total Full Time Equivalent Employees	405	406	403	394	383	388	390	383	378	367
Seasonal (Part Time) Employees	298	256	234	166	315	305	332	424	385	426
Total Employees	703	662	637	560	698	693	722	807	763	793

Source – Murray City Payroll System



SCHEDULE 19 – OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Physical arrests	1,003	1,035	598	478	1,733	2,997	1,897	3,602	1,899	2,175
Traffic citations	2,901	2,800	2,411	1,951	5,383	9,378	7,438	5,242	5,615	8,231
Fire calls	1,228	1,119	1,245	1,203	1,282	1,458	1,381	1,354	1,260	1,156
Medical calls	5,859	5,801	4,955	4,856	4,934	5,339	5,125	4,842	4,313	4,117
Inspections ¹	1,317	979	883	1,799	1,633	1,249	1,553	1,399	1,149	1,694
Parks & recreation ¹										
Park center admissions	63,928	56,846	30,600	34,393	45,636	42,255	39,164	36,211	33,536	34,839
Outdoor pool admissions	23,763	25,502	20,260	29,333	31,364	N/A	N/A	N/A	N/A	N/A
Recreation participants	18,294	17,672	16,569	9,916	15,200	16,730	17,583	17,604	15,777	13,768
Heritage Center ¹										
Participants	1,651	1,386	616	1,375	1,627	1,525	1,478	1,734	1,947	1,993
Activity Participation	73,370	67,639	15,816	53,530	73,045	71,712	73,752	76,841	76,098	76,330
Library ¹										
Volumes in collection	84,938	86,929	81,005	61,899	91,001	69,477	71,133	75,914	78,759	74,971
Total volumes borrowed	341,179	309,945	203,248	332,472	461,920	475,394	499,292	548,060	611,149	611,633
Visitors	67,814	51,229	7,862	218,277	317,717	346,685	371,330	395,481	425,507	357,461
Water ⁴										
Customers Residential	8,953	8,893	9,031	9,064	8,929	8,912	8,858	8,761	8,716	8,674
Customers Commercial	1,284	1,400	1,436	1,551	1,527	1,516	1,493	1,389	1,372	1,360
Annual consumption (in millions of gallons) ²	3,224	2,497	3,001	3,976	3,206	2,834	2,827	2,758	2,583	3,066
Wastewater ³										
Customers Residential	8,482	8,422	8,563	8,600	8,520	8,450	8,419	8,376	8,334	8,300
Customers Commercial	1,029	1,032	1,081	1,203	1,196	1,187	1,171	1,163	1,150	1,141
Power										
Customers Residential	16,696	16,321	16,211	15,426	15,098	14,819	14,651	14,688	14,573	14,429
Customers Commercial	3,469	3,236	3,247	3,381	3,066	3,247	3,204	3,179	3,193	3,149
Peak demand (KW)	100,770	102,045	98,206	100,105	102,938	102,290	103,053	102,460	107,120	103,478
Internal generation (MWH)	17,867	17,761	8,651	13,531	14,691	9,845	11,457	13,846	17,913	18,096
Purchased power (MWH)	389,106	387,297	406,019	390,797	396,363	410,237	415,474	416,299	410,606	407,148

Source – The applicable departments of Murray City
N/A Data unavailable

References:

- (1) Variations in FY21 from prior years due to COVID.
- (2) Water consumption was reduced in FY22 through water conservation efforts.
- (3) These numbers are based on residents not connections so reduction in numbers is due to vacancies.
- (4) Customer numbers for Water have been updated from 2018 to 2022 to reflect updated data based on new reporting requirements from the State.



SCHEDULE 20 – CAPITAL ASSETS BY FUNCTION
Last Ten Fiscal Years

Function/Program	Fiscal Year Ending June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	44	42	43	43	43	43	44	43	42	39
Public works										
Streets(miles)	152	152	151	151	150	148	148	147	147	147
Streetlights	3,245	3,064	2,946	2,739	2,739	2,754	2,711	2,701	2,669	2,670
Streetlights - LED	205	135	131	76	76	-	-	-	-	-
Parks & recreation										
Acreage ¹	270	254	254	254	254	254	252	252	252	252
Parks ¹	14	12	12	12	12	11	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)	196	194	194	193	193	197	199	198	197	197
Wastewater ²										
Sanitary sewers(miles)	135	135	134	133	133	131	132	129	128	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:

- (1) In FY2023, Murray City acquired Woodstock Meadows Park and Riverview Park from Salt Lake County which increased acreage.
- (2) The decrease of water lines in FY2018 was the result of a reconstruction project in 2018 where two smaller lines were replaced with one larger one. The decrease in sewer line in FY2018 was due to remapping of the system and removing the lines that were within the city boundaries but not owned by the City.

COMPLIANCE SECTION



For Fiscal Year Ended June 30, 2023



COMMITTED. EXPERIENCED. TRUSTED.

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
JESSE S. MALMROSE, EA

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MONTANA T. HADLEY, CPA
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FOUNDERS

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 9, 2023.

Report on 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. 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 or significant deficiencies may exist that were not identified.

Report on 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.

HBME, LLC

November 9, 2023



COMMITTED. EXPERIENCED. TRUSTED.

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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, 2023.

State compliance requirements were tested for the year ended June 30, 2023 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Restricted Taxes and Related Restricted Revenues
- Fraud Risk Assessment
- Government Fees
- Cash Management
- Open and Public Meetings Act

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, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the *State Compliance Audit Guide* (Guide). Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to

provide a basis for our opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report On Internal Control over Compliance

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

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

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 *Guide*. Accordingly, this report is not suitable for any other purpose.

HBMC, LLC

November 9, 2023