

ACFR

ANNUAL COMPREHENSIVE FINANCIAL REPORT

MURRAY CITY CORPORATION
FISCAL YEAR ENDING
JUNE 30, 2024



MURRAY.UTAH.GOV



MURRAY CITY, UTAH
MAYOR BRETT A. HALES

Annual Comprehensive Financial Report

For Fiscal Year Ended June 30, 2024

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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MURRAY CITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2024



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INTRODUCTORY SECTION



For Fiscal Year Ended June 30, 2024



November 19, 2024

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, 2024, 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, 2024, 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 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).

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 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 49,436. Once teaming with heavy industry, Murray's industry mix is now healthcare, retail, and professional, scientific, and technical services. 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 2024 Economic Report to the Governor, the Utah economy continued a strong performance in Calendar 2023 with a slight tapering. The State unemployment rate remained low hovering around 3%. Utah has seen the highest labor participation rate since 2010. This results in a slight easing of a tight labor market which is helping the state economic growth. The City has experienced an increasing number of applications for some open positions. Some positions especially highly specialized and entry level positions are remaining unfilled for extended periods of time.

Utah's population grew by 55,989 to reach 3.456 million in 2023, according to estimates prepared by the Utah Population Committee. About 56 percent of this growth came from net in-migration as people moved to the state to take advantage of economic opportunity. Net in-migration decreased from 62% in 2022.

The State of Utah's 2024 Economic Report to the Governor projected continued economic growth in 2024 although not at the same pace as 2023. They are calling it unsettled normalcy. It appears as of June, that the state is experiencing growth, inflation is moderating, interest rates are decreasing, and households are increasing spending.

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's Redevelopment Agency 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 progress is being made.

The City's Redevelopment Agency, in 2005 created the Fireclay Redevelopment Project area to facilitate a mixed-use development, provide utility and transportation infrastructure, urban design, environmental

remediation and site preparation in an area with vacant, underutilized, environmentally contaminated, and industrial property. The project area signed tax increment reimbursement agreements with four developers. The developers built the projects outlined and are receiving reimbursements. The assessed property values have increased from \$23 million to \$272 million; 10.8 times increase. More detailed information on the tax abatements can be found in the Notes to the financial statements note 17.

Where feasible the City is committed to preserving historic structures. Renovations are underway at the Cahoon mansion, Murray Theater, and National Guard Armory. The mansion will become a museum focusing on Murray history. The Murray Theater will again be a place to watch live entertainment. The Armory will become an indoor event and reception space.

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, 2023. This was the forty-third 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.

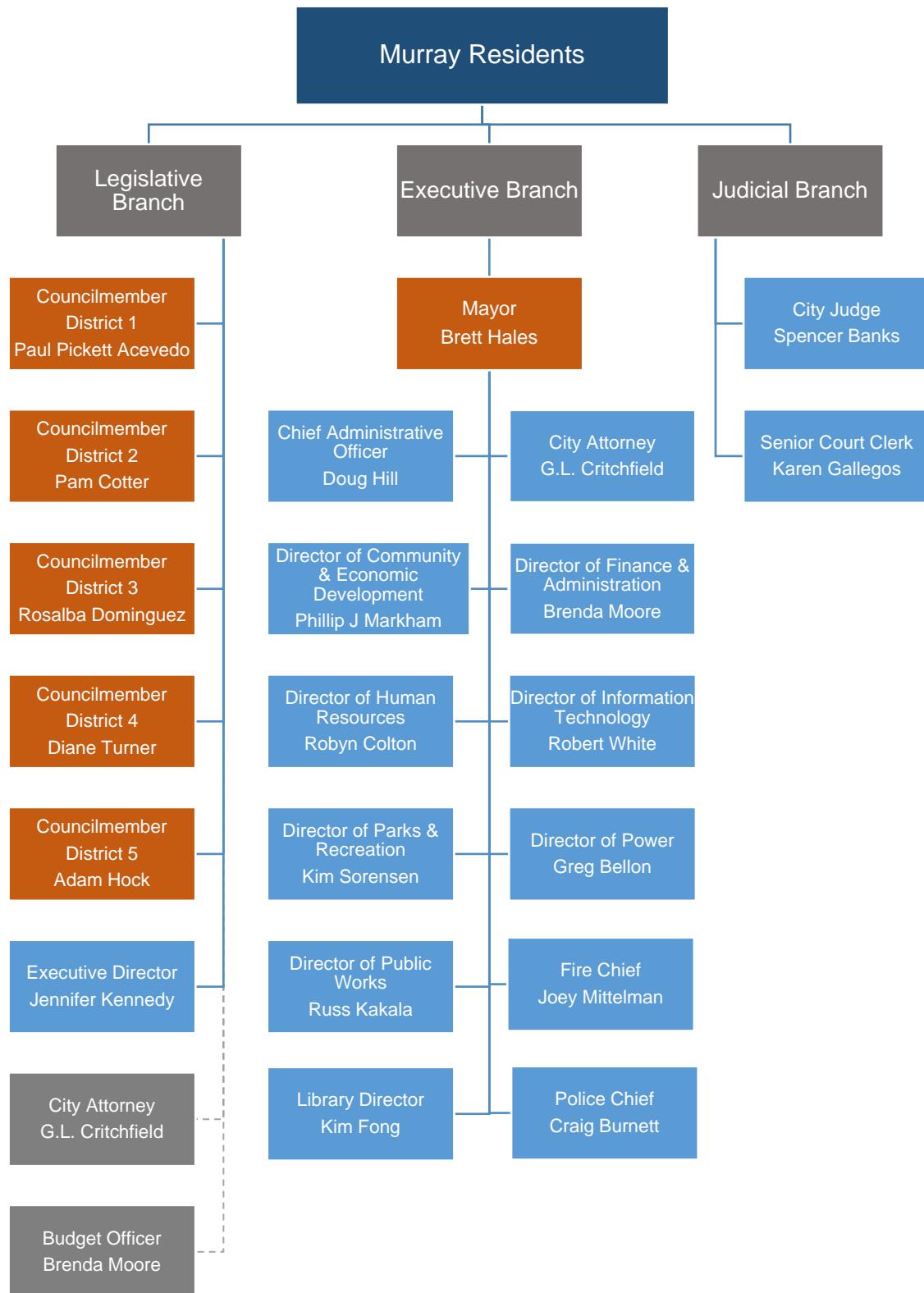
Respectfully submitted,



Brenda Moore, CPA
Finance & Administration Director



ORGANIZATIONAL CHART





ELECTED OFFICIALS AND ADMINISTRATION

Elected Officials

Mayor	Brett Hales
Councilmember – District 1	Paul Pickett Acevedo
Councilmember – District 2	Pam Cotter
Councilmember – District 3	Rosalba Dominguez
Councilmember – District 4	Diane Turner
Councilmember – District 5	Adam Hock

Appointed by Mayor and Council

City Attorney	G.L Critchfield
City Engineer	Trae Stokes
City Recorder	Brooke Smith
City Treasurer	Mindy Stacy
Executive Director to the Council	Jennifer Kennedy
Finance & Administration Director / Budget Officer	Brenda Moore
Municipal Court Judge	Spencer Banks

Executive Team

Mayor	Brett Hales
Chief Administrative Officer	Doug Hill
City Attorney	G.L Critchfield
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	Greg Bellon
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

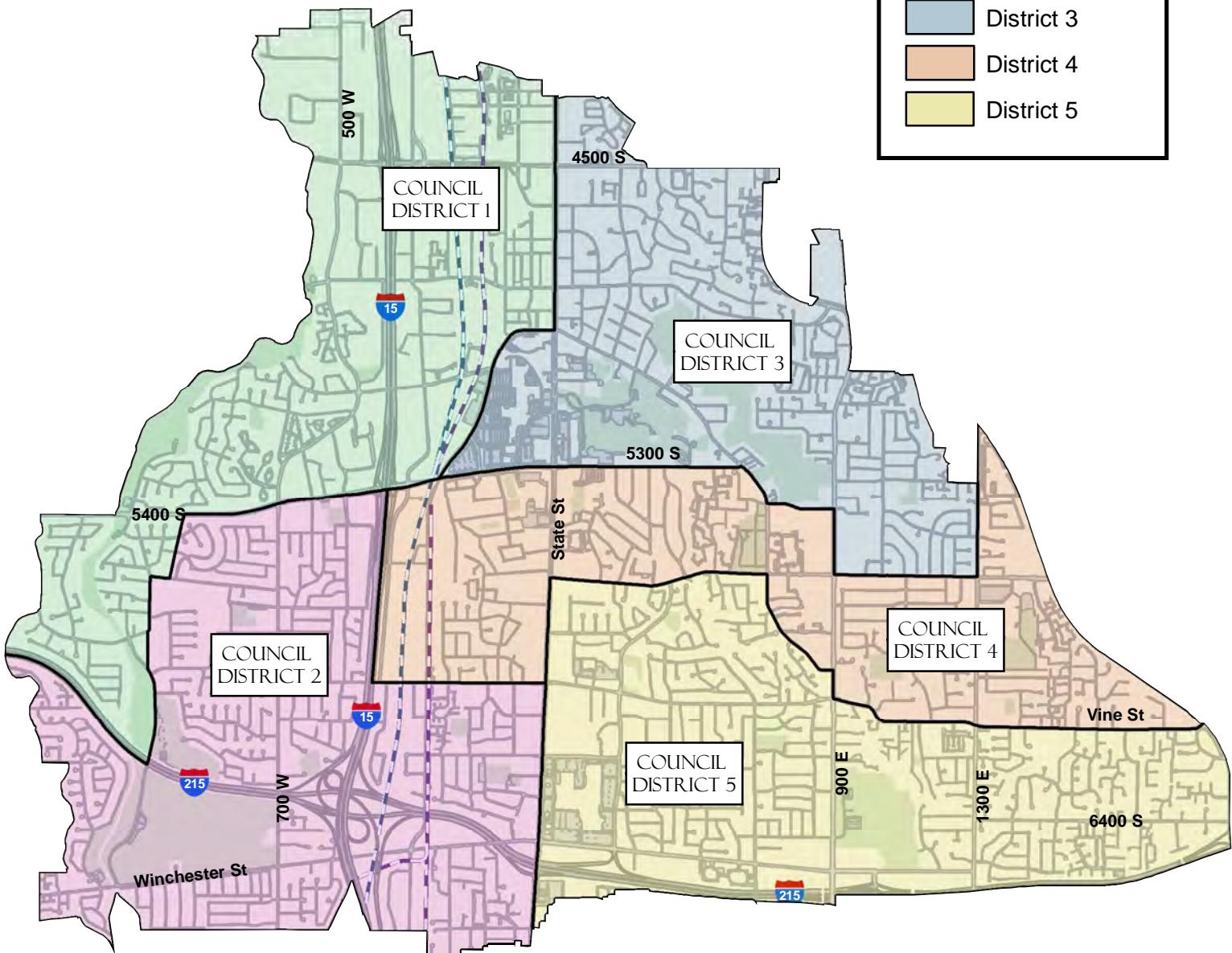
June 30, 2023

Christopher P. Monell

Executive Director/CEO

Murray City Council Districts

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



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

0 0.25 0.5 Miles

MURRAY CITY COUNCIL DISTRICTS

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

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FINANCIAL SECTION



For Fiscal Year Ended June 30, 2024



COMMITTED. EXPERIENCED. TRUSTED.

PARTNERS

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
JANICE ANDERSON, EA
TROY F. NILSON, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Murray City Corporation, Utah (the City), as of and for the year ended June 30, 2024, 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 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 13-27, 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. The 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 comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 15, 2024 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.

HBMC, LLC

November 15, 2024
Bountiful, Utah



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, 2024. 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, high interest rates, and inflation. Despite the fear of a recession, sales tax revenues grew .83%, which was down from the 1.1% increase in the previous year and double digit increases in FY2022 and FY2021. Taxable sales throughout the state of Utah were 1.3% higher than the previous year. Taxable sales by Murray businesses were up 1.8% from the previous year. Excluding the ARPA grant revenues from the previous year, the General Fund revenue increased \$1.6 million (2.7%) as follows: \$469,719 was from a property tax rate increase, \$243,322 was from sales tax, \$216,907 was from charges for services and \$551,688 was from interest income. This, combined with conservative spending by all City departments, allowed the General Fund to transfer \$6.5 million dollars more than the original budget to the Capital Projects Fund for various projects.
- The high interest rates have benefited the City. Across all funds, the City received \$6.2 million dollars of investment revenue. This is a \$2.0 million dollar increase over the previous fiscal year.
- In February 2024, the Municipal Building Authority (MBA) completed the sale of \$18,860,000 par value 4% - 5% coupon bonds at a premium with a true interest cost of 3.86%. The bonds were sold to finance the reconfiguration of the existing public works property, including construction and equipping of a new administration building, fleet servicing building and equipment storage buildings.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of FY2024 by \$338,807,561 (net position). Of this amount, \$115,642,791 (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 \$13,151,483. Of this increase, \$12,434,677 (94.5%) is attributable to governmental activities and \$716,806 (5.5%) is attributable to business-type activities. The increase for governmental activities is a combination of several factors – the receipt of \$711,228 in donated infrastructure, increase in investment income of \$1.6 million and various other fund revenues exceeding expenses by \$10.1 million. The increase for business-type activities was due to a decrease in the Power Fund of (\$5.2) million, with all other business activities having fund balance increases totaling \$5.9 million. The Power Fund decrease was due to purchased power costs and system maintenance costs. A 3-year rate increase schedule was adopted in August 2023, and it should begin to stabilize the Power Fund net position. The City received \$1,950,910 of donated infrastructure, \$711,228 in governmental activities (6% of net position increase) and \$1,239,682 in business-type activities.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,894,717 or 26.8% of General Fund revenues. The General Fund's net change in fund balance was an increase of \$930,039. In January 2021, the Utah State Legislature changed state law to allow cities to have unassigned reserves up to 35% of General Fund revenue. The General Fund transferred \$6.5 million to the Capital Projects Fund to support infrastructure maintenance and improvements.
- The City's total long-term liabilities (excluding net pension liability) increased by \$17,564,294 or 28.24%. The Municipal Building authority issued \$18,860,000 par value of bonds to building a new public works facilities on their current site. The difference of \$1,295,706 was due to normal bond and lease payment activity and premium changes.



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.



FUND FINANCIAL STATEMENTS (continued)

A. Governmental Funds (continued)

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, 2024, the City's combined governmental fund balance is \$94,044,684. Of this balance, \$53,996 (.06%) is nonspendable, \$28,538,709 (30.35%) is restricted, \$1,573,422 (1.67%) is committed, \$47,983,840 (51.02%) is assigned, and \$15,894,717 (16.90%) is unassigned. Fund balance increased \$21,674,082 from the prior fiscal year. The MBA Fund increased \$19,544,060 due to sale of bonds and starting construction activities on the public works facilities. The Library Fund balance increased by \$985,241 as they continue saving for a new building. The General Fund balance increased by \$930,039 due to investment earnings and sales tax receipts. The Redevelopment Agency Fund balance decreased by \$23,642 due to expense reimbursement activity with the City and low-income housing expenditures. The Capital Projects Fund increased by \$142,709 since amounts spent on projects was slightly lower than impact fee and transfer receipts.

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.



FUND FINANCIAL STATEMENTS (continued)

A. Governmental Funds (continued)

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 is a nonmajor governmental funds. 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.

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. 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.



FUND FINANCIAL STATEMENTS (continued)

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 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Current and other assets	\$120,460,828	\$102,902,255	\$54,383,321	\$55,619,617	\$174,844,149	\$158,521,872
Pension asset	2,065,465	2,394,348	-	-	2,065,465	2,394,348
Capital assets	190,577,774	182,779,297	85,525,168	83,545,820	276,102,942	266,325,117
Total assets	313,104,067	288,075,900	139,908,489	139,165,437	453,012,556	427,241,337
Total deferred outflows of resources	9,253,174	6,648,229	2,697,026	2,045,680	11,950,200	8,693,909
Long-term liabilities	67,413,158	49,347,687	12,356,461	12,857,638	79,769,619	62,205,325
Net pension liability	5,867,711	4,789,103	1,550,654	1,249,016	7,418,365	6,038,119
Other liabilities	10,659,233	14,026,215	9,789,271	8,871,873	20,448,504	22,898,088
Total liabilities	83,940,102	68,163,005	23,696,386	22,978,527	107,636,488	91,141,532
Total deferred inflows of resources	18,500,479	19,079,141	18,228	58,495	18,518,707	19,137,636
Net position:						
Net investment in capital assets	140,809,943	133,392,297	71,803,506	69,400,946	212,613,449	202,793,243
Restricted	10,263,911	7,666,508	287,410	272,671	10,551,321	7,939,179
Unrestricted	68,842,806	66,423,178	46,799,985	48,500,478	115,642,791	114,923,656
Total net position	\$219,916,660	\$207,481,983	\$118,890,901	\$118,174,095	\$338,807,561	\$325,656,078

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 \$338,807,561 as of June 30, 2024. This is an increase of \$13,151,483 from the previous fiscal year.

As of June 30, 2024, 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 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 (62.75%) 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.



GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

- *Restricted Net Position* - The increase in restricted net position is the result of reporting the pension asset as restricted, along with an increase in Class C road funds in the General Fund and transportation sales tax and park impact fees received and not spent in FY2024 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 business-type activities of the City had an increase in unrestricted net position. All business-type activities had revenues in excess of expenses except the Power Fund. Wastewater, Storm Water and Power Funds all had rate increases. These changes will be discussed in the following section.

Due to increased revenue for the third 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.

The following table summarizes the City's operations:

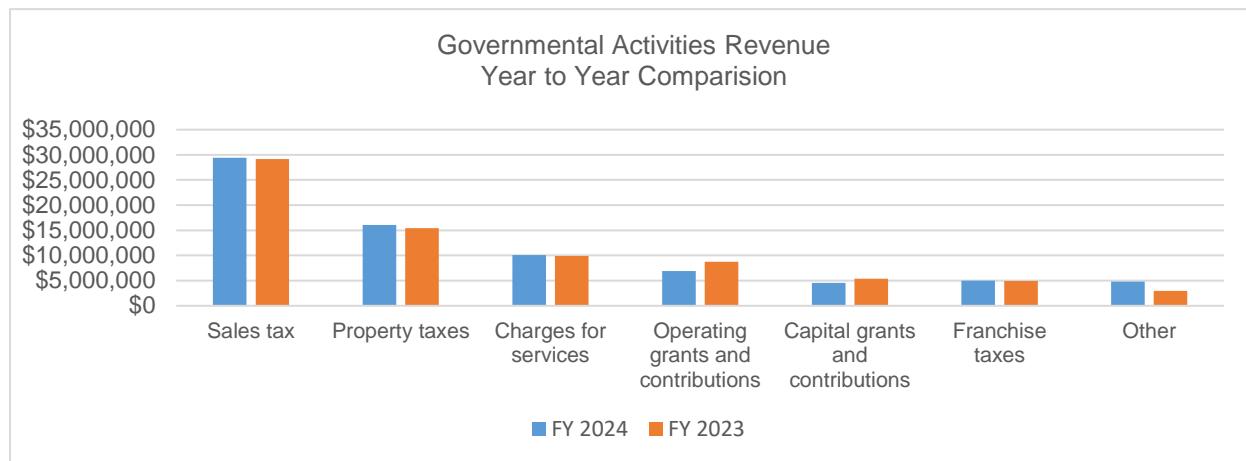
	Governmental Activities		Business-type Activities		Total	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Revenues						
Program revenues						
Charges for services	\$ 10,069,708	\$ 9,893,894	\$ 64,384,949	\$ 59,828,654	\$ 74,454,657	\$ 69,722,548
Operating grants and contributions	6,933,674	8,751,637	-	-	6,933,674	8,751,637
Capital grants and contributions	4,529,183	5,360,877	1,766,547	1,910,183	6,295,730	7,271,060
General revenues						
Sales tax	29,412,870	29,169,548	-	-	29,412,870	29,169,548
Property taxes	16,054,240	15,415,401	-	-	16,054,240	15,415,401
Franchise taxes	4,986,775	4,961,592	-	-	4,986,775	4,961,592
Investment income	4,408,437	2,820,950	1,795,941	1,345,835	6,204,378	4,166,785
Equity Investment income	-	-	1,229,653	892,362	1,229,653	892,362
Gain on disposal of assets	63,467	7,766	78,542	16,000	142,009	23,766
Miscellaneous	310,430	157,080	-	-	310,430	157,080
Total revenues	76,768,784	76,538,745	69,255,632	63,993,034	146,024,416	140,531,779
Expenses						
General government	12,609,440	10,192,818	-	-	12,609,440	10,192,818
Public safety	29,412,151	27,454,189	-	-	29,412,151	27,454,189
Highways & public improvements	11,469,357	12,165,235	-	-	11,469,357	12,165,235
Parks, recreation, and culture	12,919,517	12,081,336	-	-	12,919,517	12,081,336
Debt service - interest and fiscal charges	1,925,006	1,452,910	-	-	1,925,006	1,452,910
Water	-	-	7,139,504	6,161,847	7,139,504	6,161,847
Wastewater	-	-	6,733,465	6,614,384	6,733,465	6,614,384
Power	-	-	44,261,833	47,747,546	44,261,833	47,747,546
Murray Parkway	-	-	1,743,932	1,694,369	1,743,932	1,694,369
Telecommunications	-	-	42,760	43,614	42,760	43,614
Solid waste	-	-	2,384,909	2,200,370	2,384,909	2,200,370
Storm water	-	-	2,231,059	2,262,527	2,231,059	2,262,527
Total expenses	68,335,471	63,346,488	64,537,462	66,724,657	132,872,933	130,071,145
Increase (decrease) in net position before transfers	8,433,313	13,192,257	4,718,170	(2,731,623)	13,151,483	10,460,634
Transfers - net	4,001,364	3,834,355	(4,001,364)	(3,834,355)	-	-
Increase (decrease) in net position	12,434,677	17,026,612	716,806	(6,565,978)	13,151,483	10,460,634
Net position at beginning of year	207,481,983	190,455,371	118,174,095	124,740,073	325,656,078	315,195,444
Net position at end of year	\$ 219,916,660	\$ 207,481,983	\$ 118,890,901	\$ 118,174,095	\$ 338,807,561	\$ 325,656,078



GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Governmental Activities – Governmental activities increased the City's net position by \$12,434,677, which is \$4.6 million less than the prior year. Key elements affecting this increase in governmental activities net position are as follows:

- Total governmental activities revenue increased by \$230,039 from the prior year. Capital grants and contributions decreased \$831,694, due to having received an ARPA grant of \$2.9 million in the prior year, developer donations decrease of \$207,746, property taxes increased \$638,839 due to a 3% property tax levy increase, investment income increased \$1.5 million due to higher interest rates, and charges for services increased \$175,814 as activities were expanded.



- Expenses for governmental activities increased by \$5 million. Personnel costs increased 6.22% from the previous year. The cost of operations increased due to inflation along with increased capital outlay project costs in the Capital Project Fund.

Business-type Activities – Business-type activities increased the City's net position by \$716,806. Key elements affecting this change in business-type net position are as follows:

- In the Power Fund, the cost of purchased power stabilized and operating expenses decreased (\$3.5 million) compared to the prior year. A 3-year rate increase schedule was implemented effective August 1, 2023, which better aligns revenue with costs. Energy sales revenue increased \$3.2 million or 9% and will continue to increase in the next two years. There was no increase in personnel costs.
- Total business-type activities operating revenue increased from the prior year, which included increases in all funds, except Solid Waste and Telecom. The increases were due to increased power rates and a hot summer. The Water revenue increases were a result of less drought fears after a second wet winter which increased usage. Rate increases in the Wastewater Fund and Storm Water Fund increased their revenues. Business-type activities also received \$1,239,682 in donated assets from developers.
- Total business-type activities expenses decreased by approximately (\$2.3) million from the prior year. Personnel costs increased \$104,320. Cost-of-living adjustment of 4%, step plan adjustments, and increased health insurance costs were offset by open positions and retirements. As discussed above, power operations and maintenance decreased (\$3.1) million and operations and maintenance in all other funds increased \$809,297 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.

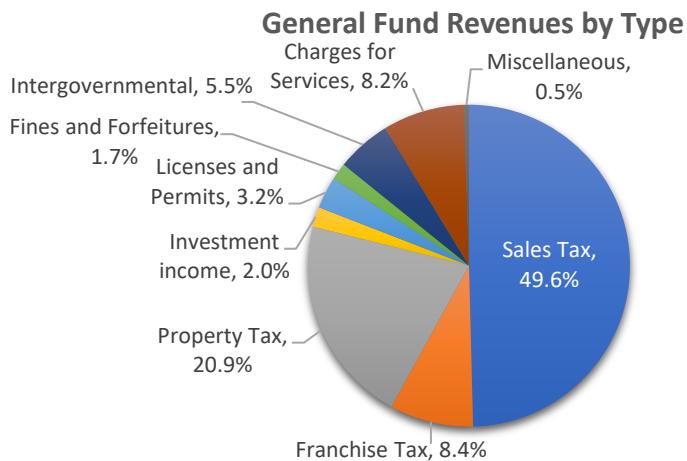
General Fund

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 \$5,590,122. Other financing sources and uses include transfers from Water, Wastewater, and Power Enterprise Funds of \$4.3 million and the RDA Fund of \$322,900. Transfers totaling \$9,097,157 to the Capital Projects Fund were completed during the fiscal year. These transfers were made up of \$5.3 million of local option sales tax, \$2 million of sales tax dedicated to transportation projects, and \$1.7 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.

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

Taxes continue to be the largest source of revenue in the General Fund and represent 78.9% of total General Fund revenues. The largest component of tax revenue is sales tax, which represents 62.85% of total tax revenues and 49.5% of total General Fund revenues. This compares with 48% of total General Fund revenues in the prior fiscal year. Sales tax collections increased .83% over the previous fiscal year. There was a 3% property tax increase which combined with 2% property tax base growth increased General Fund property tax collections by \$469,716.





FUND ANALYSIS (continued)

A. Governmental Funds (Continued)

General Fund (continued)

Intergovernmental revenue decreased due to federal funds authorized to assist municipalities in their response to the COVID-19 pandemic stopped in FY2023. In FY2023, the General Fund reported \$2,894,678 in this type of funding, while it reported none in FY2024.

General Fund expenditures increased \$2,783,933 during FY2024 to \$53,751,865 from \$50,967,932 in 2023. Personnel costs increased \$2,226,685 (6%) due to a city wide 4% COLA adjustment, step plan salary increases, and health insurance increases. The City also added 2 police officers and a firefighter paramedic. Other cost increases of \$387,283 were due to increased costs for software, computer equipment and inflation.

Capital Projects Fund

The Capital Projects Fund had a fund balance at the end of the year in the amount of \$38,019,948, which is slightly above the fund balance of the previous year. The Capital Projects Fund received transfers totaling \$10.11 million dollars from the General Fund, \$2 million of which is dedicated to transportation related projects, \$1 million was a reimbursement for infrastructure projects in an RDA area, with the remaining \$7.11 million intended to support future infrastructure, capital asset acquisitions, and maintenance costs. The fund received investment earnings of \$1.7 million and impact fees of \$1.1 million which are restricted for new parks and recreation facilities.

Expenditures increased from \$13.1 million in FY2023 to \$15.2 million in FY2024. The City spent \$2.2 million on road maintenance and reconstruction, \$6.4 million to renovate the Murray Theater, Murray Armory and the Murray Mansion and \$1.1 million for police vehicles and equipment. 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.

Municipal Building Authority Fund

The Municipal Building Authority of Murray City (MBA) completed the sale of \$18,860,000 par value 4% - 5% coupon bonds at a premium. The bonds were sold to finance the reconfiguration of the existing public works property, including construction and equipping of a new administration building, fleet servicing building and equipment storage buildings. Planning and design were started in FY2024 with construction set to start spring 2025. It's anticipated to be a 3-year project once construction begins. This year the MBA spent \$739,241 on additions and minor modifications to City Hall.

Redevelopment Agency Fund

During FY2024, property tax collections from redevelopment areas increased 3% or \$126,770 to a total of \$4,487,734 from \$4,360,964 in FY2023. 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 decreased (\$23,642) to a total of \$8,728,605. Tax increment of \$3.3 million is restricted fund balance, set aside for moderate income housing.

Expenditures in the RDA Fund increased from \$2,836,959 in FY2023 to \$5,367,767 in FY2024 (89.21%). The large increase of \$2.5 million was due to \$1.3 million of reimbursements to the City for infrastructure from the Smelter RDA area, along with \$925,200 of funds given to Neighbor works to provide down payment assistance to low- and moderate-income families.



FUND ANALYSIS (continued)

A. Governmental Funds (Continued)

Library Fund

The Library Fund balance increased by \$985,241; up from an increase of \$839,672 in FY2023, to a total of \$6,372,078. Revenues increased \$251,979. Investment income increased of \$209,731 over FY2023, property taxes increased \$53,255 which offset small revenue decreases for federal grants. Expenditures were up \$106,410 due to increases in personnel costs which included a 4% COLA adjustment for all employees along with increased insurance and benefit costs.

Cemetery Fund

The Cemetery Fund did not have expenditures in FY2024. The committed fund balance increased by \$95,675 due to investment earnings, and selling of niches, to a total of \$1,573,422. These reserves are intended to support the perpetual care of the cemetery and are used occasionally to fund improvements to the Cemetery.

B. Proprietary Funds

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

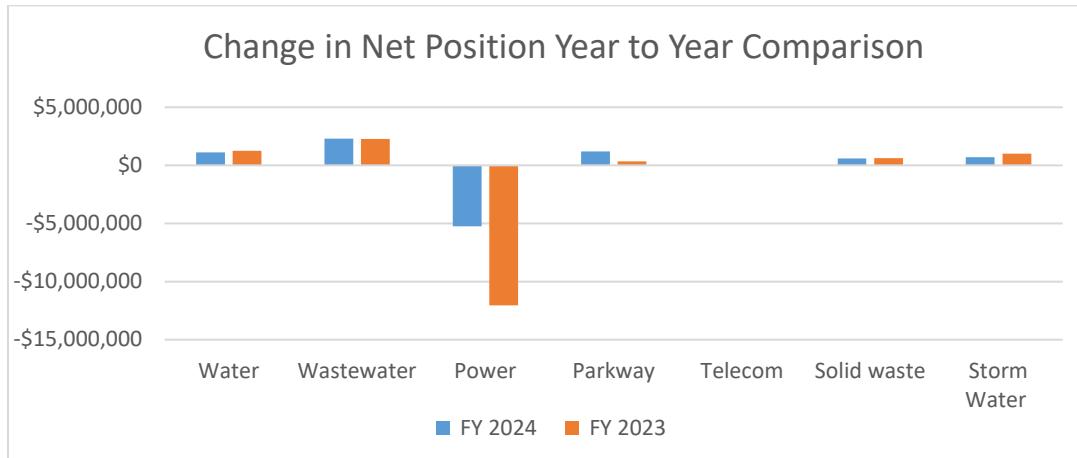
- The Water Fund's restricted and unrestricted net position decreased this fiscal year by (\$1,746,485) to a total of \$3,711,759, which is approximately 51% of current annual operating revenues. Operating revenue increased \$152,865 or 2.14%. This is from relaxing of conservation efforts due to a second year of high snowpack resulting in less worry about continuing drought. Operation and maintenance expenses increased by 47% this year due replacement of infrastructure of \$1.35 million more than in FY2023. The Water Fund is changing to an AMI metering system and purchased \$830,000 of Landis and Gear communication devices which will allow daily usage data collection.
- The Wastewater Fund's unrestricted net position increased by \$1,770,857 this fiscal year to a total of \$17,699,512. The unrestricted net position included \$13,752,520 in an investment in the Central Valley Water Reclamation Facility (CVWRF). The remaining \$3,946,992 is 47% of the fund's current annual operating revenues. The operating revenue increased by 4.06% in FY2024 due to a 7% rate increase in April 2023 and a 3% increase in April of 2024. The cost of rebuilding the Central Valley Water Reclamation Facility has increased from an estimate of \$250 million to \$400 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 FY2024 were \$4,450,595 up from \$4,322,293 in FY2023. Removing the Central Valley expenses, operating and maintenance expenses were down (\$186,949).
- The Power Fund's restricted and unrestricted net position decreased by (\$3,825,825) this fiscal year to a total of \$15,629,070, approximately 38% of current annual operating revenues. The Power Fund's operating revenue increased 9.31%. In August, the Power Fund raised rates by 7% to 14% depending on rate class as the first of three annual increases. Operating expenses without purchased power increased by 24.77%. The operating expense increase is due to the purchase of AMI meters for \$3.8 million dollars. Purchased power decreased by (\$7.16) million dollars (21.72%) over the previous year as power costs have stabilized.



FUND ANALYSIS (continued)

B. Proprietary Funds (continued)

- The Storm Water Fund's revenues increased 8.59% due to a 9% rate increase. The rate increase was the fourth of five which will occur annually on July 1. The restricted and unrestricted net position decreased (.51%) or (\$10,926). The total of the Storm Water Fund's restricted and unrestricted net position is \$2,143,886. Net investment in capital assets increased \$1.2 million dollars as a large stormwater installation project was completed during the year.
- The Parkway Fund (golf course) received transfers from both the General Fund (\$60,000) and Capital Projects Fund (\$189,000) 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 \$353,076 over the previous year due to weather conditions. The Parkway Fund's unrestricted net position is \$2,032,631. The fund no longer has a negative unrestricted fund balance, so the City's FY2025 budget does not include subsidization of this fund by the General Fund.
- The Solid Waste Fund's unrestricted net position increased by \$575,376 to a total of \$5,456,775. The unrestricted net position includes a \$3,413,716 investment in Trans-Jordan Cities which operates a landfill. The remaining \$2,043,059 is 81% of annual revenue. The Trans-Jordan landfill is reaching capacity, so the fund reserves are being increased in anticipation of increased transfer costs to the new Bayview land fill .





GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, General Fund budgeted expenditures were amended from an original budget total of \$58,816,760 to a final budget total of \$68,551,878 (16.6% 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
 - \$7,109,580 additional transfer to the Capital Projects Fund.
 - \$72,600 for contributions to City nonprofits.
 - \$150,000 to implement a form-based code.
 - \$250,640 for IT equipment and software.
 - \$23,451 for an increase in election services.
 - \$84,590 for personnel changes, retirement payout and open enrollment insurance changes.
- B. Public safety
 - \$300,628 for grant and donation funded programs and services.
 - \$162,634 for Fire wages, overtime, and benefits.
 - \$6,188 for open enrollment insurance changes.
- C. Highways and public improvements
 - \$1,280,275 for Class C Road projects.
 - \$50,000 for additional snowplow blades and equipment.
 - \$50,000 for homeless camp cleanup.
 - (\$1,648) for open enrollment insurance changes.
- D. Parks, recreation, and culture
 - \$103,445 for grants & donations in support of parks, arts, history, and recreation programs.
 - \$735 for open enrollment insurance changes.
 - \$50,000 for fall concerts and concessions at the Murray Amphitheater.
 - \$42,000 to celebrate the Murray Park Centennial.

General Fund budgeted revenues were amended from \$58,816,760 to \$59,929,211 (1.9% difference). Revenue budget adjustments made during the year can be summarized as follows:

- E. Investment revenue
 - \$593,281 to revise the budget for increased revenue.
- F. Intergovernmental revenue
 - \$220,460 was budgeted for additional grants received during the year.
 - \$184,710 was budgeted for reimbursements for wildfire deployments.
- G. Sales Tax
 - \$100,000 was budgeted for additional Sales tax receipts.
- H. Charges for services
 - \$5,000 for concession receipts.
- I. Fines & Forfeitures
 - \$9,000 in increased fine revenue.



GENERAL FUND BUDGETARY HIGHLIGHTS (continued)

During the year, actual revenues were greater than budgeted revenues by \$4,234,850. Due to the expectation of a recession the sales tax budget was decreased by 5%. During FY2024, the City had a .83% increase in sales tax collections from FY2023, resulting in a \$2,001,570 variance from budget. Licenses and permits revenue was above budget \$635,775 as building continues despite higher interest rates. Actual expenditures were less than budgeted expenditures by \$5,317,856. The savings by function were general government (15.78%), public safety (26.09%), highways & public improvements (34.17%), and parks and recreation (13.80%). 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, 2024 amounts to \$276,102,942. 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 capital assets from the previous year's balance of the City's investment in capital assets was \$9,777,825 (3.67%).

	Governmental Activities		Business-type Activities		Total	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Land	\$ 26,613,220	\$ 26,613,220	\$ 6,974,069	\$ 6,974,069	\$ 33,587,289	\$ 33,587,289
Road Land - right of ways	48,561,623	48,333,375	-	-	48,561,623	48,333,375
Construction in progress	13,874,608	7,378,603	1,404,325	2,353,911	15,278,933	9,732,514
Buildings	77,897,230	77,396,001	6,233,556	6,233,556	84,130,786	83,629,557
Infrastructure	110,492,718	105,761,343	203,093,533	196,151,821	313,586,251	301,913,164
Equipment	25,280,142	23,275,408	27,078,861	26,584,058	52,359,003	49,859,466
Intangibles & right-to-use						
lease & subscrip assets	217,389	17,760	4,192,602	4,149,972	4,409,991	4,167,732
Accum depreciation & amc	(112,359,156)	(105,996,413)	(163,451,778)	(158,901,567)	(275,810,934)	(264,897,980)
Total Capital Assets	<u>\$ 190,577,774</u>	<u>\$182,779,297</u>	<u>\$ 85,525,168</u>	<u>\$ 83,545,820</u>	<u>\$276,102,942</u>	<u>\$266,325,117</u>

During the year, the City spent \$19,460,116 on assets and received \$1,950,910 in donated assets.

Major capital asset events during FY2024 include:

- Construction in progress increased \$5,546,419 due to the renovation construction on the Murray Mansion, Murray Theater, and Murray Armory. Multiple parks, water, stormwater, streets, and wastewater infrastructure projects were started or completed during the fiscal year.
- Installation of water line replacement projects totaling \$2.67 million were completed.
- Twenty-seven police cars for \$1,130,276, Nine other trucks & vehicles for \$547,932, a wastewater CCTV camera van for \$359,611, fire brush truck for \$184,564, snowplow for \$218,002 Riverview Park pickleball courts for \$137,593, 3 park playgrounds for \$811,593.
- The acceptance of \$1,950,510 in developer-contributed assets, including \$711,228 in donated roads, land under the roads and sidewalks, \$1,057,145 in donated water lines, \$105,482 in donated sewer lines, and \$77,055 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, 2024, the City had total long-term bonded, lease, and subscription outstanding debt of \$81,782,589. Bond secured solely by specific revenue sources represent \$81,333,722 of this amount, the remaining being lease payable of \$17,981 and subscriptions payable of \$430,886. The City has no general obligation bonds outstanding.

	Governmental Activities		Business-type Activities		Total	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Bonds & Lease Payable	\$ 69,131,748	\$ 50,818,085	\$ 12,650,841	\$ 13,685,841	\$ 81,782,589	\$ 64,503,926

The City's total bonded and lease debt outstanding increased by \$17,278,663 during the fiscal year (26.79%). This increase is due to the issuance of \$18,860,000 par value of lease revenue bonds at a premium of \$1,353,165 and the normally scheduled debt principal payments and premium amortizations of \$3,166,287.

During the year the City received 3 bond rating upgrades. Fitch Ratings upgraded the rating for the 2016 Sales tax bonds from AA to AAA. S&P Global ratings upgraded the credit rating for the Stormwater 2013 and 2016 bonds to AA from AA-. Moody's as part of the issuance of the 2024 Lease revenue bonds upgraded the city's issuer rating to Aa1 from Aa2 and assigned an Aa2 rating to the lease revenue bonds.

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 2024 was 3.4% as compared to 2.6% of the previous year. The national unemployment rate increased to 4.1% from June 2023 rate of 3.6%. Unemployment at this level is sustainable and point to a healthy labor market. The number of jobs available in Salt Lake County region grew 12,974 from March 2023 to March 2024. Participation in the labor market has also increased to the highest rate since 2010. The slight increase in the unemployment rate and higher labor participation rate has resulted in more applicants for open positions, although it is still difficult to fill open technical positions and part-time workers. The City continually reviews full-time and part-time salaries to ensure they are competitive.
- According to the U.S. Bureau of Labor Statistics, in September 2024 the consumer price index (CPI) in the western region was up 2.1% from a year ago, while the CPI for the nation rose 2.4% for that same period. The current inflation, while down, when combined inflation for the previous year 3 years, is putting some stress on City services due to increased costs especially for infrastructure and personnel.
- Following 2 years of increases over 15% and one at 5.6%, statewide sales tax revenue increased by 2.2% in FY2024. The 2.2% increase is the lowest increase since at least 2014. Lower inflation rates and consumers having spent available savings could account for the lower increase. Sales tax receipts are projected to keep increasing just more in line with inflation rates.



NEXT YEAR'S BUDGETS AND RATES

- The City continues its approach of budgeting conservatively to avoid revenue shortfalls. After removing grant funding and wildland fire reimbursements, the FY2025 General Fund budgeted revenues were increased \$3.3 million (6%) and budgeted expenditures increased \$.9 million (1.5%). In order to highlight the .2% City option sales tax, which ends in 2030, the budget transfers 100% of the .2% tax budgeted to the CIP Fund, resulting in the use of \$2 million of reserves. The projected reserve balance will remain at 26% of revenue.
- \$916,568 of the revenue increase is the result a 5% property tax levy increase effective in FY2025 and 3% growth in taxable properties. The increase was necessary to support 3 additional firefighters, 1 police officer and increased costs. Historically, the City has budgeted the next year's sales tax revenue within 1% of the prior year's actual collections. Due to the 50/50 projected chance of a recession the FY2024 budget was calculated at 1% less than the FY2023 actual collections. This resulted in a budget increase of 5% for sales tax collections. The FY2024 budget anticipated a sales tax decrease which was actually a 1% increase. 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 completed in the fall of 2024, with an anticipated rate schedule adoption in March of 2025.
 - 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 wastewater 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 FY2024 was 4%. 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 revenue increase across all rate payers was projected to be 11%. A supply cost adjustment (SCA) was also implemented which allows additional charges or credits if the cost of power varies from preset level. The SCA generated \$586,316 of additional revenue to cover costs of purchasing power.

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

MURRAY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024



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BASIC FINANCIAL STATEMENTS



For Fiscal Year Ended June 30, 2024

Government-Wide Financial Statements



STATEMENT OF NET POSITION

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 42,607,189	\$ 12,747,533	\$ 55,354,722
Investments	12,648,844	4,204,524	16,853,368
Accounts receivable (net of allowance)	19,260,845	7,353,723	26,614,568
Notes receivable	-	16,311	16,311
Lease receivable	63,924	-	63,924
Due from other governments	5,415,867	45,495	5,461,362
Inventories	104,481	3,400,013	3,504,494
Prepays	35,248	3,758	39,006
Total current assets	80,136,398	27,771,357	107,907,755
Noncurrent assets			
Restricted cash	20,833,619	2,903,972	23,737,591
Investments	19,465,811	6,470,510	25,936,321
Notes receivable	-	71,246	71,246
Investments in joint ventures	-	17,166,236	17,166,236
Other assets	25,000	-	25,000
Net pension asset	2,065,465	-	2,065,465
Capital assets			
Land	26,613,220	6,974,069	33,587,289
Road land - right of ways	48,561,623	-	48,561,623
Construction in progress	13,874,608	1,404,325	15,278,933
Buildings	77,897,230	6,233,556	84,130,786
Infrastructure	110,492,718	203,093,533	313,586,251
Equipment	25,280,142	27,078,861	52,359,003
Intangibles	-	3,759,027	3,759,027
Intangible right-to-use lease assets	19,190	-	19,190
Intangible right-to-use subscription assets	198,199	433,575	631,774
Accumulated depreciation and amortization	(112,359,156)	(163,451,778)	(275,810,934)
Total noncurrent assets	232,967,669	112,137,132	345,104,801
Total assets	313,104,067	139,908,489	453,012,556
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	9,253,174	2,697,026	11,950,200
Total deferred outflows of resources	9,253,174	2,697,026	11,950,200
LIABILITIES			
Current liabilities			
Accounts payable	2,896,078	4,459,320	7,355,398
Accrued liabilities	1,517,029	712,439	2,229,468
Accrued interest payable	501,221	136,015	637,236
Customer deposits	454,879	2,616,562	3,071,441
Compensated absences	3,296,876	1,367,522	4,664,398
Notes payable	-	16,311	16,311
Bonds, leases, and subscriptions payable	1,993,150	481,102	2,474,252
Total current liabilities	10,659,233	9,789,271	20,448,504
Noncurrent liabilities			
Compensated absences	274,560	115,476	390,036
Net pension liability	5,867,711	1,550,654	7,418,365
Notes payable	-	71,246	71,246
Bonds, leases, and subscriptions payable	67,138,598	12,169,739	79,308,337
Total noncurrent liabilities	73,280,869	13,907,115	87,187,984
Total liabilities	83,940,102	23,696,386	107,636,488
DEFERRED INFLOWS OF RESOURCES			
Pension related	146,456	18,228	164,684
Lease related	63,924	-	63,924
Deferred property taxes	18,290,099	-	18,290,099
Total deferred inflows of resources	18,500,479	18,228	18,518,707
NET POSITION			
Net investment in capital assets	140,809,943	71,803,506	212,613,449
Restricted			
Capital	2,462,206	102,026	2,564,232
Impact fees	2,201,177	-	2,201,177
Retirement	2,065,465	-	2,065,465
Low-income housing	3,346,456	-	3,346,456
Debt service	9,304	185,384	194,688
Other purposes	179,303	-	179,303
Unrestricted	68,842,806	46,799,985	115,642,791
Total net position	\$ 219,916,660	\$ 118,890,901	\$ 338,807,561

The accompanying notes are an integral part of this statement.



STATEMENT OF ACTIVITIES

							Net Revenue (Expense) and Changes in Net Position						
	Expenses	Program Revenues			Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total					
		Charges for Services	Operating Grants and Contributions										
Functions/Programs:													
Primary government:													
Governmental activities													
General government	\$ 12,609,440	\$ 5,050,455	\$ 3,533,553	\$ -	\$ (4,025,432)	\$ -	\$ (4,025,432)	\$ -					
Public safety	29,412,151	2,874,533	814,560	-	(25,723,058)			(25,723,058)					
Highways and public improvements	11,469,357	-	2,448,180	925,633	(8,095,544)			(8,095,544)					
Parks, recreation, and culture	12,919,517	2,144,720	137,381	3,603,550	(7,033,866)			(7,033,866)					
Debt service - interest	1,925,006	-	-	-	(1,925,006)			(1,925,006)					
Total governmental activities	68,335,471	10,069,708	6,933,674	4,529,183	(46,802,906)			(46,802,906)					
Business-type activities													
Water	7,139,504	7,281,725	-	1,277,138	\$ 1,419,359	\$ 1,419,359	\$ 1,419,359	\$ 1,419,359					
Wastewater	6,733,465	8,388,593	-	246,856	1,901,984	1,901,984	1,901,984	1,901,984					
Power	44,261,833	40,831,858	-	138,963	(3,291,012)	(3,291,012)	(3,291,012)	(3,291,012)					
Murray Parkway	1,743,932	2,096,115	-	-	352,183	352,183	352,183	352,183					
Telecom	42,760	44,706	-	-	1,946	1,946	1,946	1,946					
Solid Waste	2,384,909	2,519,521	-	-	134,612	134,612	134,612	134,612					
Storm Water	2,231,059	3,222,431	-	103,590	1,094,962	1,094,962	1,094,962	1,094,962					
Total business-type activities	64,537,462	64,384,949	-	1,766,547			1,614,034	1,614,034					
Total primary government	\$ 132,872,933	\$ 74,454,657	\$ 6,933,674	\$ 6,295,730	(46,802,906)		1,614,034	(45,188,872)					
General revenues and transfers:													
General Revenues:													
Taxes													
Sales				29,412,870	-		29,412,870						
Property				16,054,240	-		16,054,240						
Franchise				4,986,775	-		4,986,775						
Investment income				4,408,437	1,795,941		6,204,378						
Equity investment income				-	1,229,653		1,229,653						
Gain on sale and disposal of assets				63,467	78,542		142,009						
Miscellaneous				310,430	-		310,430						
Transfers - net				4,001,364	(4,001,364)		-						
Total general revenue and transfers				59,237,583	(897,228)		58,340,355						
Change in net position													
Net position, beginning of year				12,434,677	716,806		13,151,483						
Net position, end of year				207,481,983	118,174,095		325,656,078						
				\$ 219,916,660	\$ 118,890,901		\$ 338,807,561						

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	\$ 9,345,641	\$ 26,451,710	\$ 2,410,013	\$ 1,644,857
Investments	5,892,761	12,796,326	6,373,788	4,696,495
Accounts receivable (net of allowance)				
Property taxes	12,551,091	-	3,345,399	2,617,167
Other	746,200	958	-	30
Due from other governments	5,415,867	-	-	-
Prepaid items	7,089	-	-	27,734
Restricted cash	454,582	10,000	1,079	19,173
Lease receivable	63,924	-	-	-
Total assets	<u>\$ 34,477,155</u>	<u>\$ 39,258,994</u>	<u>\$ 12,130,279</u>	<u>\$ 9,005,456</u>
LIABILITIES				
Accounts payable	\$ 1,477,541	\$ 1,239,046	\$ 55,275	\$ 30,441
Accrued liabilities	1,125,430	-	-	25,977
Deposits	453,879	-	1,000	-
Total liabilities	<u>3,056,850</u>	<u>1,239,046</u>	<u>56,275</u>	<u>56,418</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable ambulance billing	455,691	-	-	-
Lease related	63,924	-	-	-
Unavailable property taxes	12,367,740	-	3,345,399	2,576,960
Total deferred inflows of resources	<u>12,887,355</u>	<u>-</u>	<u>3,345,399</u>	<u>2,576,960</u>
FUND BALANCE				
Nonspendable	7,089	-	-	46,907
Restricted	2,631,144	2,231,755	3,346,535	-
Committed	-	-	-	-
Assigned	-	35,788,193	5,382,070	6,325,171
Unassigned	15,894,717	-	-	-
Total fund balances	<u>18,532,950</u>	<u>38,019,948</u>	<u>8,728,605</u>	<u>6,372,078</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 34,477,155</u>	<u>\$ 39,258,994</u>	<u>\$ 12,130,279</u>	<u>\$ 9,005,456</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	\$ 488,406	\$ 68,951	\$ 40,409,578
Investments	-	1,505,911	31,265,281
Accounts receivable (net of allowance)			
Property taxes	-	-	18,513,657
Other	-	-	747,188
Due from other governments	-	-	5,415,867
Prepaid items	-	-	34,823
Restricted cash	20,348,785	-	20,833,619
Lease receivable	-	-	63,924
Total assets	<u>\$ 20,837,191</u>	<u>\$ 1,574,862</u>	<u>\$ 117,283,937</u>
LIABILITIES			
Accounts payable	\$ 19,510	\$ 1,440	\$ 2,823,253
Accrued liabilities	-	-	1,151,407
Deposits	-	-	454,879
Total liabilities	<u>19,510</u>	<u>1,440</u>	<u>4,429,539</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable ambulance billing	-	-	455,691
Lease related	-	-	63,924
Unavailable property taxes	-	-	18,290,099
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>18,809,714</u>
FUND BALANCE			
Nonspendable	-	-	53,996
Restricted	20,329,275	-	28,538,709
Committed	-	1,573,422	1,573,422
Assigned	488,406	-	47,983,840
Unassigned	-	-	15,894,717
Total fund balances	<u>20,817,681</u>	<u>1,573,422</u>	<u>94,044,684</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,837,191</u>	<u>\$ 1,574,862</u>	<u>\$ 117,283,937</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	\$ 94,044,684
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	190,367,343
Intangible right-to-use lease assets and subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds.	210,431
The net pension asset is not an available resource and, therefore, is not reported in the funds.	2,065,465
Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not recorded in the funds.	(501,221)
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.	(78,390,857)
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.	8,928,764
Deferred inflows of resources associated with the General Fund's ambulance billings are removed in the Statement of Net Position.	455,691
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.	2,736,360
Net position of governmental activities	\$ 219,916,660

MURRAY CITY
BASIC FINANCIAL STATEMENTS
June 30, 2024



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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 taxes	\$ 29,412,870	\$ -	\$ -	\$ -
Property taxes	12,400,109	-	954,181	2,699,950
Franchise taxes	4,986,775	-	-	-
Licenses and permits	1,910,353	-	-	-
Impact fees	-	1,184,708	-	-
Intergovernmental	3,265,112	2,418,842	3,533,553	11,971
Charges for services	4,872,930	-	-	-
Fines and forfeitures	1,023,289	-	-	19,803
Miscellaneous	288,940	64,632	16,497	10,274
Investment income	1,181,609	1,721,468	514,894	358,555
Total revenues	<u>59,341,987</u>	<u>5,389,650</u>	<u>5,019,125</u>	<u>3,100,553</u>
EXPENDITURES				
Current:				
General government	9,590,712	91,530	-	-
Public safety	27,490,053	673,699	-	-
Highways and public improvements	4,597,107	1,042,932	3,094,357	-
Parks, recreation, and culture	9,138,017	811,322	-	2,103,085
Capital outlay	431,794	12,638,261	328,556	12,227
Debt service:				
Principal	846,488	-	355,000	-
Interest	229,167	-	208,500	-
Debt issuance costs	-	-	-	-
Pledge payment - UTOPIA debt service	1,428,527	-	-	-
Total expenditures	<u>53,751,865</u>	<u>15,257,744</u>	<u>3,986,413</u>	<u>2,115,312</u>
Excess (deficiency) of revenues over expenditures	<u>5,590,122</u>	<u>(9,868,094)</u>	<u>1,032,712</u>	<u>985,241</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	189,155	-	-	-
Premium on bonds issued	-	-	-	-
Sale of capital assets	-	103,847	-	-
Transfers in	4,632,919	10,113,361	325,000	-
Transfers out	(9,482,157)	(206,405)	(1,381,354)	-
Total other financing sources (uses)	<u>(4,660,083)</u>	<u>10,010,803</u>	<u>(1,056,354)</u>	<u>-</u>
Net change in fund balances	<u>930,039</u>	<u>142,709</u>	<u>(23,642)</u>	<u>985,241</u>
Fund balances, beginning of year	<u>17,602,911</u>	<u>37,877,239</u>	<u>8,752,247</u>	<u>5,386,837</u>
Fund balances, end of year	<u>\$ 18,532,950</u>	<u>\$ 38,019,948</u>	<u>\$ 8,728,605</u>	<u>\$ 6,372,078</u>

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 taxes	\$ -	\$ -	\$ 29,412,870
Property taxes	-	-	16,054,240
Franchise taxes	-	-	4,986,775
Licenses and permits	-	-	1,910,353
Impact fees	-	-	1,184,708
Intergovernmental	-	-	9,229,478
Charges for services	-	10,660	4,883,590
Fines and forfeitures	-	-	1,043,092
Miscellaneous	1,815,246	-	2,195,589
Investment income	412,322	85,015	4,273,863
Total revenues	2,227,568	95,675	75,174,558
EXPENDITURES			
Current:			
General government	145,063	-	9,827,305
Public safety	-	-	28,163,752
Highways and public improvements	123,642	-	8,858,038
Parks, recreation, and culture	-	-	12,052,424
Capital outlay	599,238	-	14,010,076
Debt service:			
Principal	605,000	-	1,806,488
Interest	1,216,900	-	1,654,567
Debt issuance costs	206,830	-	206,830
Pledge payment - UTOPIA debt service	-	-	1,428,527
Total expenditures	2,896,673	-	78,008,007
Excess (deficiency) of revenues over expenditures	(669,105)	95,675	(2,833,449)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	18,860,000	-	19,049,155
Premium on bonds issued	1,353,165	-	1,353,165
Sale of capital assets	-	-	103,847
Transfers in	-	-	15,071,280
Transfers out	-	-	(11,069,916)
Total other financing sources (uses)	20,213,165	-	24,507,531
Net change in fund balances	19,544,060	95,675	21,674,082
Fund balances, beginning of year	1,273,621	1,477,747	72,370,602
Fund balances, end of year	\$ 20,817,681	\$ 1,573,422	\$ 94,044,684

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	\$ 21,674,082
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.	7,829,494
Intangible right-to-use lease assets are amortized over the life of the agreement and reported as amortization expense.	(9,788)
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.	33,407
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.	(18,659,441)
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.	1,266,154
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.	300,769
Change in net position of governmental activities	<hr/> \$ 12,434,677

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	\$ 1,083,375	\$ 2,425,574	\$ 3,474,858	\$ 1,594,232
Investments	665,594	347,088	3,022,551	146,959
Accounts receivable (net of allowance)	1,166,113	1,039,155	4,619,914	225,197
Notes receivable	-	-	-	-
Interfund receivable	-	-	689,117	-
Due from other governments	45,495	-	-	-
Inventory	-	-	3,332,568	-
Prepaid items	397	-	2,267	1,094
Total current assets	<u>2,960,974</u>	<u>3,811,817</u>	<u>15,141,275</u>	<u>1,967,482</u>
Noncurrent assets				
Restricted cash	47,891	285,503	2,568,109	969
Investments, long-term	1,024,310	534,148	4,651,524	226,161
Notes receivable	-	-	-	-
Investments in joint ventures	-	13,752,520	-	-
Other assets	-	-	-	-
Capital assets				
Land	2,155,313	455,921	1,691,650	2,344,849
Construction in progress	921,866	-	370,934	111,525
Buildings	933,325	949,132	3,462,645	-
Infrastructure	55,569,551	18,956,193	78,628,434	43,791,986
Equipment	4,139,592	2,090,578	16,855,612	1,815,630
Intangibles	-	-	3,759,027	-
Intangible right-to-use subscription asset	-	42,630	390,945	-
Accumulated depreciation and amortization	(25,652,762)	(11,461,048)	(86,270,788)	(33,091,703)
Total noncurrent assets	<u>39,139,086</u>	<u>25,605,577</u>	<u>26,108,092</u>	<u>15,199,417</u>
Total assets	<u>42,100,060</u>	<u>29,417,394</u>	<u>41,249,367</u>	<u>17,166,899</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	490,247	218,223	1,584,895	195,563
Total deferred outflows of resources	<u>490,247</u>	<u>218,223</u>	<u>1,584,895</u>	<u>195,563</u>
LIABILITIES				
Current liabilities				
Accounts payable	353,854	297,689	3,607,904	22,786
Accrued liabilities	60,445	21,381	405,406	19,478
Interfund payable	-	-	-	-
Interest payable	67,117	25,294	-	43,604
Compensated absences	247,135	137,153	828,471	62,613
Notes payable	-	-	-	-
Bonds and subscriptions payable	-	149,677	61,425	270,000
Customer deposits	46,953	-	2,568,109	-
Total current liabilities	<u>775,504</u>	<u>631,194</u>	<u>7,471,315</u>	<u>418,481</u>
Noncurrent liabilities				
Compensated absences	22,172	11,422	68,993	5,215
Net pension liability	275,810	122,771	924,976	110,023
Notes payable	-	-	-	-
Bonds and subscriptions payable	8,054,000	1,227,203	207,022	2,681,514
Total noncurrent liabilities	<u>8,351,982</u>	<u>1,361,396</u>	<u>1,200,991</u>	<u>2,796,752</u>
Total liabilities	<u>9,127,486</u>	<u>1,992,590</u>	<u>8,672,306</u>	<u>3,215,233</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related	3,338	1,486	10,655	1,332
Total deferred inflows of resources	<u>3,338</u>	<u>1,486</u>	<u>10,655</u>	<u>1,332</u>
NET POSITION				
Net investment in capital assets	29,747,724	9,656,526	18,522,231	12,002,011
Restricted				
Capital	-	102,026	-	-
Debt service	938	183,477	-	969
Unrestricted	3,710,821	17,699,512	15,629,070	2,142,917
Total net position	<u>\$ 33,459,483</u>	<u>\$ 27,641,541</u>	<u>\$ 34,151,301</u>	<u>\$ 14,145,897</u>

The accompanying notes are an integral part of this statement



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

	Business-type Activities - Enterprise Funds		Governmental Activities	
	Nonmajor Enterprise Funds		Total	Internal Service Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 4,169,494	\$ 12,747,533	\$ 2,197,611	
Investments	22,332	4,204,524	334,539	
Accounts receivable (net of allowance)	303,344	7,353,723	-	
Notes receivable	16,311	16,311	-	
Interfund receivable	-	689,117	-	
Due from other governments	-	45,495	-	
Inventory	67,445	3,400,013	104,481	
Prepaid items	-	3,758	425	
Total current assets	4,578,926	28,460,474	2,637,056	
Noncurrent assets				
Restricted cash	1,500	2,903,972	-	
Investments, long-term	34,367	6,470,510	514,835	
Notes receivable	71,246	71,246	-	
Investments in joint ventures	3,413,716	17,166,236	-	
Other assets	-	-	25,000	
Capital assets				
Land	326,336	6,974,069	-	
Construction in progress	-	1,404,325	-	
Buildings	888,454	6,233,556	-	
Infrastructure	6,147,369	203,093,533	-	
Equipment	2,177,449	27,078,861	309,428	
Intangibles	-	3,759,027	-	
Intangible right-to-use subscription asset	-	433,575	-	
Accumulated depreciation and amortization	(6,975,477)	(163,451,778)	(219,641)	
Total noncurrent assets	6,084,960	112,137,132	629,622	
Total assets	10,663,886	140,597,606	3,266,678	
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	208,098	2,697,026	179,174	
Total deferred outflows of resources	208,098	2,697,026	179,174	
LIABILITIES				
Current liabilities				
Accounts payable	177,087	4,459,320	72,825	
Accrued liabilities	205,729	712,439	365,622	
Interfund payable	689,117	689,117	-	
Interest payable	-	136,015	-	
Compensated absences	92,150	1,367,522	73,145	
Notes payable	16,311	16,311	-	
Bonds and subscriptions payable	-	481,102	-	
Customer deposits	1,500	2,616,562	-	
Total current liabilities	1,181,894	10,478,388	511,592	
Noncurrent liabilities				
Compensated absences	7,674	115,476	6,091	
Net pension liability	117,074	1,550,654	100,802	
Notes payable	71,246	71,246	-	
Bonds and subscriptions payable	-	12,169,739	-	
Total noncurrent liabilities	195,994	13,907,115	106,893	
Total liabilities	1,377,888	24,385,503	618,485	
DEFERRED INFLOWS OF RESOURCES				
Pension related	1,417	18,228	1,220	
Total deferred inflows of resources	1,417	18,228	1,220	
NET POSITION				
Net investment in capital assets	1,875,014	71,803,506	89,787	
Restricted				
Capital	-	102,026	-	
Debt service	-	185,384	-	
Unrestricted	7,617,665	46,799,985	2,736,360	
Total net position	\$ 9,492,679	\$ 118,890,901	\$ 2,826,147	

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	\$ 7,253,950	\$ 8,374,696	\$ 37,526,908	\$ 3,219,573
Connection and servicing fees	9,415	5,500	332,395	-
Other	18,360	8,397	2,972,555	2,858
Total operating revenues	<u>7,281,725</u>	<u>8,388,593</u>	<u>40,831,858</u>	<u>3,222,431</u>
OPERATING EXPENSES				
Wages and benefits	2,206,539	1,074,358	7,117,217	880,215
Administrative fees	875,214	725,970	1,840,209	427,482
Operations and maintenance	2,470,376	4,247,946	33,308,668	371,594
Depreciation and amortization	1,486,925	639,487	1,987,091	452,978
Total operating expenses	<u>7,039,054</u>	<u>6,687,761</u>	<u>44,253,185</u>	<u>2,132,269</u>
Operating income (loss)	<u>242,671</u>	<u>1,700,832</u>	<u>(3,421,327)</u>	<u>1,090,162</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	245,696	165,428	1,083,131	95,003
Interest	(100,450)	(45,704)	(8,648)	(98,790)
Equity in income of joint venture	-	858,041	-	-
Gain on disposal of assets	37,925	10,737	14,680	15,200
Total nonoperating revenues (expenses)	<u>183,171</u>	<u>988,502</u>	<u>1,089,163</u>	<u>11,413</u>
Income (loss) before contributions and transfers	<u>425,842</u>	<u>2,689,334</u>	<u>(2,332,164)</u>	<u>1,101,575</u>
Capital contributions	1,277,138	246,856	138,963	103,590
Transfers in	-	21,125	58,530	-
Transfers out	(573,590)	(655,481)	(3,100,948)	-
Change in net position	1,129,390	2,301,834	(5,235,619)	1,205,165
Total net position, beginning of year	<u>32,330,093</u>	<u>25,339,707</u>	<u>39,386,920</u>	<u>12,940,732</u>
Total net position, end of year	<u>\$ 33,459,483</u>	<u>\$ 27,641,541</u>	<u>\$ 34,151,301</u>	<u>\$ 14,145,897</u>

The accompanying notes are an integral part of this statement.



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

	Business-type Activities - Enterprise Funds		Governmental Activities
	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES			
Charges for services	\$ 4,652,915	\$ 61,028,042	\$ 2,435,537
Connection and servicing fees	-	347,310	-
Other	7,427	3,009,597	1,996
Total operating revenues	<u>4,660,342</u>	<u>64,384,949</u>	<u>2,437,533</u>
OPERATING EXPENSES			
Wages and benefits	1,139,172	12,417,501	773,157
Administrative fees	357,923	4,226,798	-
Operations and maintenance	2,339,913	42,738,497	1,472,733
Depreciation and amortization	317,407	4,883,888	25,448
Total operating expenses	<u>4,154,415</u>	<u>64,266,684</u>	<u>2,271,338</u>
Operating income (loss)	<u>505,927</u>	<u>118,265</u>	<u>166,195</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	206,683	1,795,941	134,574
Interest	(17,186)	(270,778)	-
Equity in income of joint venture	371,612	1,229,653	-
Gain on disposal of assets	-	78,542	-
Total nonoperating revenues (expenses)	<u>561,109</u>	<u>2,833,358</u>	<u>134,574</u>
Income (loss) before contributions and transfers	<u>1,067,036</u>	<u>2,951,623</u>	<u>300,769</u>
Capital contributions	-	1,766,547	-
Transfers in	249,000	328,655	-
Transfers out	-	(4,330,019)	-
Change in net position	<u>1,316,036</u>	<u>716,806</u>	<u>300,769</u>
Total net position, beginning of year	<u>8,176,643</u>	<u>118,174,095</u>	<u>2,525,378</u>
Total net position, end of year	<u>\$ 9,492,679</u>	<u>\$ 118,890,901</u>	<u>\$ 2,826,147</u>

The accompanying notes are an integral part of this statement.



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

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Power Fund	Storm Water Fund
Cash flows from operating activities				
Receipts from customers and users	\$ 7,135,188	\$ 8,401,429	\$ 39,912,811	\$ 3,251,789
Payments to suppliers of goods and services	(2,498,290)	(4,280,748)	(32,015,369)	(365,290)
Payments to employees for services	(2,283,796)	(1,085,035)	(7,343,283)	(931,381)
Payments for interfund services	(875,214)	(725,970)	(1,840,209)	(427,482)
Net cash provided (used) by operating activities	<u>1,477,888</u>	<u>2,309,676</u>	<u>(1,286,050)</u>	<u>1,527,636</u>
Cash flows from noncapital financing activities				
Transfers from other funds	-	21,125	58,530	-
Transfers to other funds	(573,590)	(655,481)	(3,100,948)	-
Changes to interfund receivables and payables	-	-	170,182	-
Net cash provided (used) by noncapital financing activities	<u>(573,590)</u>	<u>(634,356)</u>	<u>(2,872,236)</u>	<u>-</u>
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	37,925	45,342	22,812	15,200
Purchases of capital assets	(2,770,270)	(689,625)	(625,316)	(1,328,757)
Impact fees	219,993	141,374	138,963	26,535
Principal paid on debt	(375,532)	(371,218)	(57,894)	(272,986)
Interest paid on capital debt	(88,830)	(41,240)	(8,648)	(102,094)
Net cash used by capital and related financing activities	<u>(2,976,714)</u>	<u>(915,367)</u>	<u>(530,083)</u>	<u>(1,662,102)</u>
Cash flows from investing activities				
Sale (purchase) of investments	2,321,138	(390,002)	2,955,287	(21,127)
Investment income	245,696	165,428	1,083,131	95,003
Capital acquisitions in joint venture	-	(318,998)	-	-
Net cash provided (used) by investing activities	<u>2,566,834</u>	<u>(543,572)</u>	<u>4,038,418</u>	<u>73,876</u>
Net increase (decrease) in cash and cash equivalents	<u>494,418</u>	<u>216,381</u>	<u>(649,951)</u>	<u>(60,590)</u>
Cash and cash equivalents - beginning of year	<u>636,848</u>	<u>2,494,696</u>	<u>6,692,918</u>	<u>1,655,791</u>
Cash and cash equivalents - end of year	<u>\$ 1,131,266</u>	<u>\$ 2,711,077</u>	<u>\$ 6,042,967</u>	<u>\$ 1,595,201</u>
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	\$ 242,671	\$ 1,700,832	\$ (3,421,327)	\$ 1,090,162
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	1,486,925	639,487	1,987,091	452,978
(Increase) decrease in receivables	(177,044)	12,836	(919,047)	29,358
(Increase) decrease in inventory, prepaids, and other assets	135,211	390	(286,534)	(1,094)
(Increase) decrease in other assets				
Increase (decrease) in liabilities	(209,875)	(43,869)	1,353,767	(43,768)
Net cash provided (used) by operating activities	<u>\$ 1,477,888</u>	<u>\$ 2,309,676</u>	<u>\$ (1,286,050)</u>	<u>\$ 1,527,636</u>
Noncash investing, capital and financing activities				
Capital contributions, developers	\$ 1,057,145	\$ 105,482	\$ -	\$ 77,055

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	\$ 4,664,209	\$ 63,365,426	\$ 2,463,485	
Payments to suppliers of goods and services	(2,302,556)	(41,462,253)	(1,497,290)	
Payments to employees for services	(1,167,393)	(12,810,888)	(806,563)	
Payments for interfund services	(357,923)	(4,226,798)	-	
Net cash provided (used) by operating activities	<u>836,337</u>	<u>4,865,487</u>	<u>159,632</u>	
Cash flows from noncapital financing activities				
Transfers from other funds	249,000	328,655	-	
Transfers to other funds	-	(4,330,019)	-	
Changes to interfund receivables and payables	(170,182)	-	-	
Net cash provided (used) by noncapital financing activities	<u>78,818</u>	<u>(4,001,364)</u>	<u>-</u>	
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	121,279	-	
Purchases of capital assets	(209,693)	(5,623,661)	(11,995)	
Impact fees	-	526,865	-	
Principal paid on debt	-	(1,077,630)	-	
Interest paid on capital debt	(17,186)	(257,998)	-	
Net cash used by capital and related financing activities	<u>(226,879)</u>	<u>(6,311,145)</u>	<u>(11,995)</u>	
Cash flows from investing activities				
Sale (purchase) of investments	(3,211)	4,862,085	(145,265)	
Investment income	206,683	1,795,941	134,574	
Capital acquisitions in joint venture	-	(318,998)	-	
Net cash provided (used) by investing activities	<u>203,472</u>	<u>6,339,028</u>	<u>(10,691)</u>	
Net increase (decrease) in cash and cash equivalents	891,748	892,006	136,946	
Cash and cash equivalents - beginning of year	3,279,246	14,759,499	2,060,665	
Cash and cash equivalents - end of year	<u>\$ 4,170,994</u>	<u>\$ 15,651,505</u>	<u>\$ 2,197,611</u>	
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	\$ 505,927	\$ 118,265	\$ 166,195	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	317,407	4,883,888	25,448	
(Increase) decrease in receivables	3,867	(1,050,030)	25,952	
(Increase) decrease in inventory, prepaids, and other assets	3,089	(148,938)	(28,603)	
(Increase) decrease in other assets				
Increase (decrease) in liabilities	6,047	1,062,302	(29,360)	
Net cash provided (used) by operating activities	<u>\$ 836,337</u>	<u>\$ 4,865,487</u>	<u>\$ 159,632</u>	
Noncash investing, capital and financing activities				
Capital contributions, developers	\$ -	\$ 1,239,682	\$ -	

The accompanying notes are an integral part of this statement.

MURRAY CITY
BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024



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Notes to the Financial Statements



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

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

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

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

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

Discretely presented component units, if any, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the City. As of June 30, 2024, 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 and began construction on public works facilities. 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, construction, and maintenance 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, 2024 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 \$10,000. 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	\$ 302,719,541
Accumulated depreciation	(112,352,198)
Total difference	\$ 190,367,343

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.

Intangible right-to-use lease and subscription assets:

Cost of intangible right-to-use lease assets	\$ 19,190
Cost of intangible right-to-use suscription assets	198,199
Accumulated amortization	(6,958)
Total difference	\$ 210,431

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.

Long-term debt transactions:

Net pension liability	\$ (5,766,909)
Bonds payable	(63,066,000)
Compensated absences	(3,492,200)
Bond premium	(5,913,208)
Lease payable	(17,981)
Subscription payable	(134,559)
Total difference	\$ (78,390,857)

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 and outflows related to Pensions:

Deferred inflows related to pensions	\$ (145,236)
Deferred outflows related to pensions	9,074,000
Total difference	\$ 8,928,764



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.

Internal service funds:

Ending net position of the Central Garage Fund	\$ 400,196
Ending net position of the Retained Risk Fund	2,425,951
Net investment in capital assets, Central Garage Fund	(89,787)
Total difference	<u>\$ 2,736,360</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 related items:

Capital outlay	\$ 14,010,076
Depreciation expense	(6,851,430)
Developer contributions	711,228
Cost of capital assets sold	(40,380)
Total difference	<u>\$ 7,829,494</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)

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.

Long-term debt transactions:

Debt issued or incurred:

Lease revenue bonds	(18,860,000)
Bond Premium	(1,353,165)
Leases and subscriptions issued	(189,155)

Principal payments:

Sales tax revenue bonds	1,767,000
Leases	39,488
Interest expense	(338,002)
Bond premium amortization	274,393
Total difference	\$ (18,659,441)

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.

Other changes:

Compensated absences	\$ (25,135)
Net pension asset	(328,883)
Net pension liability	(1,051,086)
Deferred pension inflows	111,773
Deferred pension outflows	2,559,485
Total difference	\$ 1,266,154

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

Internal service funds:

<i>Change in net position</i> from the Central Garage Fund	\$ (306)
<i>Change in net position</i> from the Retained Risk Fund	301,075
Total difference	\$ 300,769



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, 2024. 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.



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

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, 2024, the City's bank balance deposit carrying value was \$43,128,158. Of this amount, \$20,402,529 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 \$39,473,695, 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, 2024 is as follows:

Restricted	\$ 23,737,591
Unrestricted	98,144,411
Total	\$ 121,882,002
Cash	\$ 39,618,618
Cash equivalents and investments	82,263,384
Total	\$ 121,882,002

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.



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

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.

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 \$42,789,689.

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. Utah State Treasurer's Investment Fund;



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

E. Investments (continued)

8. 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; and
9. Fixed and variable rate corporate obligations that meet criteria under the Act.

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, 2024, the City's fair value investments in the PTIF were \$59,348 more than the amortized cost of \$39,473,695. 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, 2024, the City's fair value investments in Moreton were \$238,743 less than the amortized cost of \$43,028,432 and were reported at \$42,789,689.



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, 2024:

	Fair Value Using			
	6/30/2024	Level 1	Level 2	Level 3
Money Market	\$ 164,300	\$ 164,300	\$ -	\$ -
Utah Public Treasurer's Investment Fund	39,473,695	-	39,473,695	-
U.S. Gov't or U.S. Agencies	31,718,669	31,718,669	-	-
Corporate Notes	10,906,720	10,906,720	-	-
Total investments	\$ 82,263,384	\$ 42,789,689	\$ 39,473,695	\$ -

The following are the City's investment maturities as of June 30, 2024:

	Investment Maturities (in years)	
	Less than 1	1-5
Money Market	\$ 164,300	\$ -
Utah Public Treasurer's Investment Fund	39,473,695	-
U.S. Gov't or U.S. Agencies	11,443,505	20,275,164
Corporate Notes	5,245,563	5,661,157
Total investments	\$ 56,327,063	\$ 25,936,321

The following are the City's investment quality ratings as of June 30, 2024:

	Quality Ratings					
	6/30/24	AAA	AA	A	BBB+	Unrated
Money Market and Cash	\$ 164,300	\$ 164,300	\$ -	\$ -	\$ -	\$ -
Utah Public Treasurer's Investment Fund	39,473,695	-	-	-	-	39,473,695
U.S. Gov't or U.S. Agencies	31,718,669	4,117,806	1,444,770	2,487,361	475,629	23,193,103
Corporate Notes	10,906,720	-	4,275,675	6,631,045	-	-
Total investments	\$ 82,263,384	\$ 4,282,106	\$ 5,720,445	\$ 9,118,406	\$ 475,629	\$ 62,666,798



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	\$ 1,722,384	\$ 12,551,091	\$ 5,415,867	\$ 19,689,342	\$ (976,184)	\$ 18,713,158
Capital Projects	958	-	-	958	-	958
Redevelopment Agency	-	3,345,399	-	3,345,399	-	3,345,399
Library	30	2,617,167	-	2,617,197	-	2,617,197
Water	1,173,820	-	45,495	1,219,315	(7,707)	1,211,608
Wastewater	1,046,797	-	-	1,046,797	(7,642)	1,039,155
Power	4,677,815	-	-	4,677,815	(57,901)	4,619,914
Storm Water	228,140	-	-	228,140	(2,943)	225,197
Non-major	304,980	-	-	304,980	(1,636)	303,344
	\$ 9,154,924	\$ 18,513,657	\$ 5,461,362	\$ 33,129,943	\$ (1,054,013)	\$ 32,075,930

NOTE 6 – INTERFUND TRANSFERS

	Transfers In						
	General Fund	Capital Projects	Redevelopment	Wastewater	Power	NonMajor Proprietary	Total
Transfers Out:							
General	\$ -	\$ 9,097,157	\$ 325,000	\$ -	\$ -	\$ 60,000	\$ 9,482,157
Capital Projects	-	-	-	-	17,405	189,000	206,405
Redevelopment	322,900	1,016,204	-	21,125	21,125	-	1,381,354
Water	553,590	-	-	-	20,000	-	573,590
Wastewater	655,481	-	-	-	-	-	655,481
Power	3,100,948	-	-	-	-	-	3,100,948
	\$ 4,632,919	\$ 10,113,361	\$ 325,000	\$ 21,125	\$ 58,530	\$ 249,000	\$ 15,399,935

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, 2024 is \$557,129.

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, 2024 is \$131,988.



NOTE 8 – CAPITAL ASSETS

Governmental activities	Beg Balance	Increases	Decreases	End Balance
Capital assets, not being depreciated:				
Land	\$ 26,613,220	\$ -	\$ -	\$ 26,613,220
Road and right of way land	48,333,375	228,248	-	48,561,623
Construction in progress	7,378,603	9,029,945	(2,533,940)	13,874,608
Total capital assets, not being depreciated	<u>82,325,198</u>	<u>9,258,193</u>	<u>(2,533,940)</u>	<u>89,049,451</u>
Capital assets, being depreciated:				
Buildings	77,396,001	501,229	-	77,897,230
Infrastructure	105,761,343	4,731,375	-	110,492,718
Machinery and equipment	23,275,408	2,559,053	(554,319)	25,280,142
Intangible right-to-use lease assets	17,760	19,190	(17,760)	19,190
Intangible right-to-use subscription assets	-	198,199	-	198,199
Total capital assets being depreciated	<u>206,450,512</u>	<u>8,009,046</u>	<u>(572,079)</u>	<u>213,887,479</u>
Less accumulated depreciation and amortization for:				
Buildings	(22,862,047)	(2,216,791)	-	(25,078,838)
Infrastructure	(67,691,750)	(2,814,282)	-	(70,506,032)
Machinery and equipment	(15,435,450)	(1,845,805)	513,927	(16,767,328)
Intangible right-to-use lease assets	(7,166)	(6,485)	9,996	(3,655)
Intangible right-to-use subscription assets	-	(3,303)	-	(3,303)
Total accumulated depreciation and amortization	<u>(105,996,413)</u>	<u>(6,886,666)</u>	<u>523,923</u>	<u>(112,359,156)</u>
Total capital assets, being depreciated, net	<u>100,454,099</u>	<u>1,122,380</u>	<u>(48,156)</u>	<u>101,528,323</u>
Governmental activities capital assets, net	<u>\$ 182,779,297</u>	<u>\$ 10,380,573</u>	<u>\$ (2,582,096)</u>	<u>\$ 190,577,774</u>
Business-type activities	Beg Balance	Increases	Decreases	End Balance
Capital assets, not being depreciated:				
Land	\$ 6,974,069	\$ -	\$ -	\$ 6,974,069
Construction in progress	2,353,911	1,097,720	(2,047,306)	1,404,325
Total capital assets, not being depreciated	<u>9,327,980</u>	<u>1,097,720</u>	<u>(2,047,306)</u>	<u>8,378,394</u>
Capital assets, being depreciated:				
Buildings	6,233,556	-	-	6,233,556
Infrastructure	196,151,821	6,941,712	-	203,093,533
Machinery and equipment	26,584,058	871,216	(376,413)	27,078,861
Intangibles	3,759,027	-	-	3,759,027
Intangible right-to-use subscription assets	390,945	42,630	-	433,575
Total capital assets being depreciated	<u>233,119,407</u>	<u>7,855,558</u>	<u>(376,413)</u>	<u>240,598,552</u>
Less accumulated depreciation and amortization for:				
Buildings	(5,732,611)	(106,176)	-	(5,838,787)
Infrastructure	(131,940,002)	(3,170,154)	-	(135,110,156)
Machinery and equipment	(18,227,612)	(1,464,667)	333,677	(19,358,602)
Intangibles	(2,990,482)	(76,550)	-	(3,067,032)
Intangible right-to-use subscription assets	(10,860)	(66,341)	-	(77,201)
Total accumulated depreciation and amortization	<u>(158,901,567)</u>	<u>(4,883,888)</u>	<u>333,677</u>	<u>(163,451,778)</u>
Total capital assets, being depreciated, net	<u>74,217,840</u>	<u>2,971,670</u>	<u>(42,736)</u>	<u>77,146,774</u>
Business-type activities capital assets, net	<u>\$ 83,545,820</u>	<u>\$ 4,069,390</u>	<u>\$ (2,090,042)</u>	<u>\$ 85,525,168</u>



NOTE 8 – CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 1,719,323
Public safety	1,292,737
Highways and public improvements	2,792,087
Parks, recreation and culture	1,082,519
Total depreciation expense	<u>\$ 6,886,666</u>
Business-type activities	
Water	\$ 1,486,925
Wastewater	639,487
Power	1,987,091
Murray Parkway	282,009
Solid Waste	35,398
Storm Water	452,978
Total depreciation expense	<u>\$ 4,883,888</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, 2024, the City has a 7.73 percent ownership share in the Trans-Jordan Cities (the Association) joint enterprise. The City recognized its equity income of a joint venture of \$371,612 in the Solid Waste Fund under nonoperating revenue.

Tipping fees paid from the Solid Waste Fund to Trans-Jordan Cities were \$356,790 for fiscal year 2024.



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 7.91 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 \$3,806,711 in fiscal year 2024. The City recorded a net increase in its investment in the Facility of \$858,041 in fiscal year 2024.

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, 2023 was \$3,328,244. 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, 2023 was \$4,067,505. 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, 2023 was \$12,105,090. 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 \$5,188,341. 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, 2023 was \$1,801,977.

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, two electric service district, one public utility districts, two water conservancy districts, five co-ops, one municipal utility district, one utility improvement district, and two nonprofit corporations.

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 10% 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, 2024 is \$691,995, 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 was the City's estimated incremental borrowing rate from a bond issuance. The lease is for four years and the City will receive annual payments of \$65,118. For the year ended June 30, 2024, the City recognized \$62,752 of lease revenue and \$2,366 of interest income under the lease. As of June 30, 2024, the City's receivable for lease payments was \$63,924 and the deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term was \$63,924. 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

In the prior year, the City entered into two lease agreements, as a lessee, for the use of a mail machine and ice machine. Both of these prior leases were terminated during fiscal year 2023 and the City entered into a new mail machine lease. 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 3.85%, which is the City's estimated incremental borrowing rate. An initial lease payable was recorded in the amount of \$21,872. As of June 30, 2024, the value of this lease payable was \$17,981. The City is required to make monthly principal and interest payments of \$383. The equipment has a 63-month useful life. The value of the intangible right-to-use lease asset as of June 30, 2024 was \$19,190, at cost, with accumulated amortization of \$3,655.

The future minimum lease obligations as of June 30, 2024 are as follows:

Year end June 30,	Principal	Interest	Total
2025	\$ 3,971	\$ 623	\$ 4,594
2026	4,126	467	4,593
2027	4,288	305	4,593
2028	4,456	137	4,593
2029	1,140	8	1,148
	\$ 17,981	\$ 1,540	\$ 19,521



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

C. Subscription Assets and Payable

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, requires the financial statements to include 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.

In May 2024, the City entered into a 36-month subscription for the use of IT Pipes software and services. An initial subscription asset and payable was recorded at \$42,630. The City is required to make annual payments of \$14,750. The subscription has an interest rate of 3.85%, which was based on the City's estimated incremental borrowing rate.

In June 2024, the City entered into a 60-month subscription for the use of EProcess 360 software and services. An initial subscription asset was recorded at \$198,199, which included a prepayment of \$30,916 for implementation and project management, and the initial subscription payable was recorded in the amount of \$167,283. The City is required to make annual payments ranging from \$32,724 to \$39,776. The subscription has an interest rate of 3.85%, which was based on the City's estimated incremental borrowing rate.

The amount of the intangible right-to-use subscription asset by major classes is as follows as of June 30, 2024:

<u>Governmental activities</u>			<u>Business-type activities</u>		
<u>Asset Class</u>	<u>Subscription Asset Value</u>	<u>Accumulated Amortization</u>	<u>Asset Class</u>	<u>Subscription Asset Value</u>	<u>Accumulated Amortization</u>
Software	\$ 198,199	\$ 3,303	Software	\$ 433,575	\$ 77,201

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

<u>Governmental activities</u>				<u>Business-type activities</u>			
<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 29,179	\$ 5,181	\$ 34,360	2025	\$ 75,102	\$ 8,187	\$ 83,289
2026	32,021	4,057	36,078	2026	79,312	6,033	85,345
2027	35,058	2,824	37,882	2027	68,951	3,761	72,712
2028	38,301	1,475	39,776	2028	72,962	1,933	74,895
	<u>\$ 134,559</u>	<u>\$ 13,537</u>	<u>\$ 148,096</u>		<u>\$ 296,327</u>	<u>\$ 19,914</u>	<u>\$ 316,241</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>
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	435,000	129,500	564,500
2030-2034	2,465,000	365,300	2,830,300
2035	555,000	11,100	566,100
	<u>\$ 5,035,000</u>	<u>\$ 1,188,500</u>	<u>\$ 6,223,500</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>
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	495,000	41,606	536,606
2030-2031	1,035,000	32,259	1,067,259
	<u>\$ 3,320,000</u>	<u>\$ 426,689</u>	<u>\$ 3,746,689</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 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>
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	740,000	1,082,400	1,822,400
2030-2034	4,185,000	4,932,900	9,117,900
2035-2039	5,115,000	4,005,700	9,120,700
2040-2044	6,250,000	2,873,000	9,123,000
2045-2049	7,630,000	1,489,400	9,119,400
2050-2051	3,510,000	141,800	3,651,800
	<u>\$ 30,120,000</u>	<u>\$ 19,134,800</u>	<u>\$ 49,254,800</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 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>
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	424,000	75,758	499,758
2030-2034	2,218,000	279,161	2,497,161
2035-2037	1,443,000	55,613	1,498,613
	<u>\$ 5,731,000</u>	<u>\$ 761,487</u>	<u>\$ 6,492,487</u>



NOTE 12 – LONG-TERM LIABILITIES (continued)

E. Series 2024 MBA Lease Revenue Bonds

Purpose: Public Works projects
Date of issuance: February 6, 2024
Interest rate: 4.0% - 5.0%
Original issuance: \$18,860,000

The Series 2024 MBA Lease Revenue Bonds were issued for the planned construction of the new Public Works facility and related projects on their existing site.

Debt service requirements to maturity, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 135,000	\$ 1,139,759	\$ 1,274,759
2026	425,000	849,000	1,274,000
2027	415,000	828,000	1,243,000
2028	470,000	805,875	1,275,875
2029	495,000	781,750	1,276,750
2030-2034	2,865,000	3,502,500	6,367,500
2035-2039	3,680,000	2,688,625	6,368,625
2040-2044	4,650,000	1,721,950	6,371,950
2045-2049	5,725,000	648,818	6,373,818
	<u>\$ 18,860,000</u>	<u>\$ 12,966,277</u>	<u>\$ 31,826,277</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>
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	150,000	19,650	169,650
2030-2033	636,000	40,250	676,250
	<u>\$ 1,349,000</u>	<u>\$ 174,100</u>	<u>\$ 1,523,100</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>
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	160,000	30,050	190,050
2030-2033	675,000	55,850	730,850
	<u>\$ 1,395,000</u>	<u>\$ 248,550</u>	<u>\$ 1,643,550</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>
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	160,000	34,600	194,600
2030-2033	705,000	71,800	776,800
	<u>\$ 1,445,000</u>	<u>\$ 304,200</u>	<u>\$ 1,749,200</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>
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	271,000	72,560	343,560
2030-2034	1,398,000	321,560	1,719,560
2035-2039	1,625,000	247,940	1,872,940
2040-2044	1,747,000	163,490	1,910,490
2045-2049	1,837,000	74,380	1,911,380
2050	378,000	3,780	381,780
	<u>\$ 8,054,000</u>	<u>\$ 1,197,950</u>	<u>\$ 9,251,950</u>



NOTE 12 – LONG-TERM LIABILITIES (continued)

J. Changes in Long-term Liabilities

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Governmental activities					
Bonds payable					
Series 2016 Sales Tax Revenue Bonds	\$ 5,390,000	\$ -	\$ (355,000)	\$ 5,035,000	\$ 370,000
Series 2018 Sales Tax Revenue Bonds	3,725,000	-	(405,000)	3,320,000	420,000
Series 2020 Lease Revenue Bonds	30,725,000	-	(605,000)	30,120,000	630,000
Series 2021 Sales Tax Revenue Bonds	6,133,000	-	(402,000)	5,731,000	405,000
Series 2024 Lease Revenue Bonds	-	18,860,000	-	18,860,000	135,000
Unamortized premiums	4,834,436	1,353,165	(274,393)	5,913,208	-
Leases payable	10,649	21,872	(14,540)	17,981	3,971
Subscriptions payable	-	167,283	(32,724)	134,559	29,179
Total bonds and leases payable	50,818,085	20,402,320	(2,088,657)	69,131,748	1,993,150
Compensated absences	3,559,003	3,320,556	(3,308,123)	3,571,436	3,296,876
Total governmental long-term obligations	<u>\$ 54,377,088</u>	<u>\$ 23,722,876</u>	<u>\$ (5,396,780)</u>	<u>\$ 72,703,184</u>	<u>\$ 5,290,026</u>
Business-type activities					
Bonds payable					
Series 2012 Water and Sewer Revenue Bonds	\$ 600,000	\$ -	\$ (600,000)	\$ -	\$ -
Series 2012 Sewer Revenue Bonds	1,481,000	-	(132,000)	1,349,000	136,000
Series 2013 Storm Water Revenue Bonds	1,525,000	-	(130,000)	1,395,000	135,000
Series 2016 Storm Water Revenue Bonds	1,575,000	-	(130,000)	1,445,000	135,000
Series 2019 Water Revenue Bonds	8,054,000	-	-	8,054,000	-
Unamortized premiums	124,500	-	(12,986)	111,514	-
Subscriptions payable	326,341	42,630	(72,644)	296,327	75,102
Total bonds and subscriptions payable	13,685,841	42,630	(1,077,630)	12,650,841	481,102
Compensated absences	1,428,999	1,290,730	(1,236,731)	1,482,998	1,367,522
Total business-type long-term obligations	<u>\$ 15,114,840</u>	<u>\$ 1,333,360</u>	<u>\$ (2,314,361)</u>	<u>\$ 14,133,839</u>	<u>\$ 1,848,624</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, 2024.

Project type	Contract Amount	Spent-to-date	Remaining commitment
Street and infrastructure improvement projects	\$ 3,682,814	\$ 881,556	\$ 2,801,258
Buildings	16,591,641	8,246,894	8,344,747
Public Works facilities	1,552,225	107,141	1,445,084
	\$ 21,826,680	\$ 9,235,591	\$ 12,591,089

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, 2024 was \$1,428,527, with a 2 percent increase per year through 2040. The payment commitment for fiscal year 2025 is \$2,008,316. The total debt service payments paid by the City as of June 30, 2024 is \$24,756,815. 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, 2024. 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, 2024, there are no outstanding series of Industrial Revenue Bonds. The two bonds outstanding on June 30, 2023 were redeemed and retired on June 26, 2024.



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, 2024; 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 2024	FY 2023
Tax increment collection for various project areas	\$ 4,487,734	\$ 4,360,964
Public improvements, including housing donations	(2,886,751)	(581,370)
Debt service	(564,750)	(568,750)
Tax increment distributions	(1,531,303)	(1,515,629)
Administrative costs	(384,963)	(171,210)

As of June 30, 2024, 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. 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 2024	Taxes Abated in Prior Years	Total Maximum Tax Abatement	Primary Purpose of the Abatement	Abatement Expires
Streit Avida, LLC	\$ 385,707	\$ 1,508,312	\$ 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	116,973	747,146	2,498,588	Urban renewal, commercial, housing	2033
Hamlet Development	253,503	1,626,369	3,328,862	Urban renewal, commercial, housing	2033
	<u>\$ 756,183</u>	<u>\$ 4,332,855</u>	<u>\$ 11,051,230</u>		



NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

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

A. Defined Benefit Plans

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

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

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

- Public Safety Retirement system (Public Safety System)

The Tier 2 Public Employee System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

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



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

A. Defined Benefit Plans (continued)

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

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

*with actuarial reductions

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



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

A. Defined Benefit Plans (continued)

Contribution Rate Summary. As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2024 are as follows:

	<u>Employee Paid</u>	<u>Paid by Employer for</u>	<u>Employer Contribution</u>	<u>Employer rate for 401(k) Plan</u>
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	17.77%	0.18%
Noncontributory System				
15 - Local Governmental Division Tier 1	N/A	N/A	17.97%	N/A
111 - Local Governmental Division Tier 2	N/A	N/A	16.01%	0.18%
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 Contributory	N/A	N/A	7.95%	10.00%
211 - Local Government Noncontributory	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, 2024, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 2,137,322	\$ -
Public Safety System	1,126,471	-
Firefighters System	124,727	519,980
Tier 2 Public Employees System	1,223,896	-
Tier 2 Public Safety and Firefighter System	1,165,523	89,546
Tier 2 DC Only System	69,197	-
Tier 2 DC Public Safety and Firefighter System	31,433	-
Total Contributions	\$ 5,878,569	\$ 609,526

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, 2024, the City reported a net pension asset of \$2,065,465 and a net pension liability of \$7,418,365.

System	Measurement Date: December 31, 2023				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2022	Change (Decrease)
Noncontributory System	\$ -	\$ 3,003,837	1.2950001%	1.3126809%	-0.0176808%
Contributory System	-	44,620	0.5405567%	1.8806667%	-1.3401100%
Public Safety System	-	3,326,906	2.3262417%	2.4727429%	-0.1465012%
Firefighters System	2,065,465	-	8.8006637%	9.2195216%	-0.4188579%
Tier 2 Public Employees System	-	534,636	0.2746819%	0.2654440%	0.0092379%
Tier 2 Public Safety and Firefighter System	-	508,366	1.3495537%	1.3176228%	0.0319309%
	<u>\$ 2,065,465</u>	<u>\$ 7,418,365</u>			

The net pension asset and liability were measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2023 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, 2024, the City recognized a pension expense of \$4,151,661.

At June 30, 2024, 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	\$ 4,484,111	\$ 43,458
Changes in assumptions	2,088,354	10,854
Net difference between projected and actual earnings on pension plan investments	1,968,879	-
Changes in proportion and differences between contributions and proportionate share of contributions	487,898	110,372
Contributions subsequent to the measurement date	2,920,958	-
	<u>\$ 11,950,200</u>	<u>\$ 164,684</u>

Deferred outflows of resources related to pensions of \$2,920,958 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2023.



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	
2024	\$	2,351,065
2025		2,176,103
2026		4,153,382
2027		(545,480)
2028		101,843
Thereafter		627,645

Noncontributory system pension expense and deferred outflows and/or inflows of resources. At June 30, 2024, the City recognized pension expense of \$1,976,338.

At June 30, 2024, 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	\$ 2,103,321	\$ -
Changes in assumptions	901,388	-
Net difference between projected and actual earnings on pension plan investments	976,821	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	20,415
Contributions subsequent to the measurement date	1,029,426	-
	<u>\$ 5,010,956</u>	<u>\$ 20,415</u>

Deferred outflows of resources related to pensions of \$1,029,426 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2023.

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	
2024	\$ 1,296,039	
2025	1,238,854	
2026	1,836,490	
2027	(410,268)	



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, 2024, the City recognized a pension expense of (\$101,064).

At June 30, 2024, 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	20,078	- -
Changes in proportion and differences between contributions and proportionate share of contributions	- -	- -
Contributions subsequent to the measurement date	- -	- -
	<hr/> \$ 20,078	<hr/> \$ -

Deferred outflows of resources related to pensions of \$0 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2023.

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	
2024	\$ (24,945)	
2025	1,860	
2026	54,050	
2027	(10,887)	



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, 2024, the City recognized pension expense of \$1,124,576.

At June 30, 2024, 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	\$ 579,725	\$ -
Changes in assumptions	292,340	-
Net difference between projected and actual earnings on pension plan investments	476,214	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	61,088
Contributions subsequent to the measurement date	559,838	-
	<hr/>	<hr/>
	\$ 1,908,117	\$ 61,088

Deferred outflows of resources related to pensions of \$559,838, results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2023.

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	
2024	\$ 480,772	
2025	83,481	
2026	930,100	
2027	(207,162)	



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, 2024, the City recognized pension expense of (\$194,880).

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,357,981	-
Changes in assumptions	218,205	-
Net difference between projected and actual earnings on pension plan investments	382,196	-
Changes in proportion and differences between contributions and proportionate share of contributions	380,119	192
Contributions subsequent to the measurement date	62,598	-
	<hr/> <u>\$ 2,401,099</u>	<hr/> <u>\$ 192</u>

Deferred outflows of resources related to pensions of \$62,598 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2023.

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	
2024	\$ 500,371	
2025	718,181	
2026	1,109,484	
2027	10,273	



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, 2024, the City recognized pension expense of \$698,698.

At June 30, 2024, 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	\$ 171,240	\$ 8,755
Changes in assumptions	306,023	423
Net difference between projected and actual earnings on pension plan investments	60,373	-
Changes in proportion and differences between contributions and proportionate share of contributions	73,720	13,235
Contributions subsequent to the measurement date	667,254	-
	<hr/>	<hr/>
	\$ 1,278,610	\$ 22,413

Deferred outflows of resources related to pensions of \$667,254 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2023.

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	
2024	\$	50,868
2025		72,162
2026		123,575
2027		40,548
2028		54,835
Thereafter		246,955



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, 2024, the City recognized pension expense of \$647,994.

At June 30, 2024, 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	\$ 271,843	\$ 34,703
Changes in assumptions	370,398	10,432
Net difference between projected and actual earnings on pension plan investments	53,198	-
Changes in proportion and differences between contributions and proportionate share of contributions	34,059	15,441
Contributions subsequent to the measurement date	601,842	-
	<hr/> <u>\$ 1,331,340</u>	<hr/> <u>\$ 60,576</u>

Deferred outflows of resources related to pensions of \$601,842 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2023.

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	
2024	\$ 47,960	
2025	61,565	
2026	99,683	
2027	32,016	
2028	47,008	
Thereafter	380,690	

Actuarial assumptions. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement.

Inflation	2.50 percent
Salary increases	3.5 - 9.5 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, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale 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, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

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%	6.87%	2.40%
Debt securities	20%	1.54%	0.31%
Real assets	18%	5.43%	0.98%
Private equity	12%	9.80%	1.18%
Absolute return	15%	3.86%	0.58%
Cash and cash equivalents	0%	0.24%	0.00%
Total	100%		5.45%
Inflation			2.50%
Expected arithmetic nominal return			7.95%

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	\$ 15,589,752	\$ 3,003,837	\$ (7,536,014)
Contributory System	269,942	\$ 44,620	(147,205)
Public Safety System	10,438,924	\$ 3,326,906	(2,468,946)
Firefighters System	2,464,797	\$ (2,065,465)	(5,749,252)
Tier 2 Public Employees System	1,836,932	\$ 534,636	(475,295)
Tier 2 Public Safety and Firefighter System	1,637,972	\$ 508,366	(395,339)
	\$ 32,238,319	\$ 5,352,900	\$ (16,772,051)

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 2024	FY 2023	FY 2022
401 (k) Plan			
Employer contributions	\$ 1,317,438	\$ 1,219,276	\$ 1,108,823
Employee contributions	857,626	755,814	818,223
457 Plan			
Employer contributions	-	-	-
Employee contributions	404,015	324,791	369,774
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	188,344	143,397	113,113
Traditional IRA			
Employer contributions	N/A	N/A	N/A
Employee contributions	3,695	1,240	8,040



NOTE 18 – FUND BALANCE

Financial statement fund balance category details are as follows:

Fund Type	Capital Projects Fund		RDA	Library	MBA	Cemetery	Total
	General Fund						
Nonspendable							
Prepays	\$ 7,089	\$ -	\$ -	\$ 27,734	\$ -	\$ -	\$ 34,823
Endowment	-	-	-	19,173	-	-	19,173
Restricted							
Alcohol tax	179,303	-	-	-	-	-	179,303
Transportation sales tax	-	30,578	-	-	-	-	30,578
Class C roads	2,451,138	-	-	-	-	-	2,451,138
Impact fees	-	2,201,177	-	-	-	-	2,201,177
Historic smelter	-	-	-	-	-	-	-
State allowance	-	-	-	-	-	-	-
Debt service	703	-	79	-	8,522	-	9,304
Low-income housing	-	-	3,346,456	-	-	-	3,346,456
Capital projects	-	-	-	-	20,320,753	-	20,320,753
Committed							
Cemetery perpetual care	-	-	-	-	-	1,573,422	1,573,422
Assigned							
Capital projects	-	35,788,193	-	-	-	-	35,788,193
Redevelopment	-	-	5,382,070	-	-	-	5,382,070
Library	-	-	-	6,325,171	-	-	6,325,171
MBA	-	-	-	-	488,406	-	488,406
Unassigned	15,894,717	-	-	-	-	-	15,894,717
	\$ 18,532,950	\$ 38,019,948	\$ 8,728,605	\$ 6,372,078	\$ 20,817,681	\$ 1,573,422	\$ 94,044,684

NOTE 19 – RECENT ACCOUNTING PRONOUNCEMENT

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections which was an amendment of GASB No. 62. The statement is meant to enhance the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. In fiscal year ending 2024 the City had no accounting changes or error corrections. The City will implement this statement if in the future accounting changes or error corrections are made.

In June 2022, the GASB issued Statement No. 101, Compensated Absences which was implemented to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Statement 101 is effective date is for fiscal years beginning after December 15, 2023, with earlier adoption being encouraged. The City is currently evaluating the impact of this statement on the financial statements and will implement for the year ending June 30, 2025.

NOTE 20 – SUBSEQUENT EVENTS

On July 31, 2024, the City and Salt Lake County entered into a contract to purchase property at 1130 W Saddle Bluff Drive and 1193 Winchester street for a combined purchase price of \$2,075,000. The City and Salt Lake County will contribute equally to the purchase. The purpose is to preserve open space along the Jordan River and for a future park.

On August 23, 2024, at a total cost of \$277,496, the City purchased property located at 44 West Fireclay Avenue for a future small open space.

On September 9, 2024, a lawsuit concerning the Murray City Fire Department was settled for \$400,000. The City's self-insurance limit was \$350,000 at the time of the incident. The City's insurance agency will reimburse the City for all legal fees incurred and the settlement above the amount of \$350,000.

On September 27, 2024, at a total cost of \$930,078, the City purchased property at 150 E Vine Street. The property was purchased to use a parking for the Murray Theater.

REQUIRED SUPPLEMENTARY INFORMATION



For Fiscal Year Ended June 30, 2024

MURRAY CITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2024



**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 taxes	\$ 27,311,300	\$ 27,411,300	\$ 29,412,870	\$ 2,001,570
Property taxes	12,351,172	12,351,172	12,400,109	48,937
Franchise taxes	4,351,000	4,351,000	4,986,775	635,775
Licenses and permits	1,785,000	1,785,000	1,910,353	125,353
Intergovernmental	2,779,590	3,184,760	3,265,112	80,352
Charges for services	4,172,218	4,177,218	4,872,930	695,712
Fines and forfeitures	901,500	910,500	1,023,289	112,789
Miscellaneous	97,000	97,000	288,940	191,940
Investment income	551,000	1,144,281	1,181,609	37,328
Total revenues	<u>54,299,780</u>	<u>55,412,231</u>	<u>59,341,987</u>	<u>3,929,756</u>
EXPENDITURES				
Current:				
General government				
Community and economic development	2,153,836	2,413,882	2,131,468	282,414
Finance and administration	2,593,053	2,629,729	2,542,695	87,034
Human resources	323,771	323,771	290,558	33,213
Information Technology	1,702,000	1,876,000	1,731,396	144,604
Justice court	1,112,807	1,121,807	1,057,394	64,413
Legal	962,250	962,250	829,215	133,035
Legislative	361,940	361,940	333,267	28,673
Mayor	547,606	543,606	503,044	40,562
Non-departmental	348,720	414,056	389,064	24,992
Total general government	<u>10,105,983</u>	<u>10,647,041</u>	<u>9,808,101</u>	<u>838,940</u>
Public safety				
Fire department	11,259,627	11,432,594	11,088,491	344,103
Police department	17,148,247	17,444,730	16,401,562	1,043,168
Total public safety	<u>28,407,874</u>	<u>28,877,324</u>	<u>27,490,053</u>	<u>1,387,271</u>
Highways and public improvements				
Engineering	1,174,584	1,180,436	1,035,462	144,974
Streets and highways	4,075,426	5,448,201	3,776,050	1,672,151
Total highways and public improvements	<u>5,250,010</u>	<u>6,628,637</u>	<u>4,811,512</u>	<u>1,817,125</u>
Parks, recreation, and culture				
Parks and recreation	9,096,070	9,297,250	8,605,304	691,946
Cemetery	579,869	574,869	532,713	42,156
Total parks, recreation, and culture	<u>9,675,939</u>	<u>9,872,119</u>	<u>9,138,017</u>	<u>734,102</u>
Debt service				
Principal	807,000	846,488	846,488	-
Interest	228,433	229,168	229,167	1
Pledge payment - UTOPIA debt service	1,968,944	1,968,944	1,428,527	540,417
Total debt service	<u>3,004,377</u>	<u>3,044,600</u>	<u>2,504,182</u>	<u>540,418</u>
Total expenditures	<u>56,444,183</u>	<u>59,069,721</u>	<u>53,751,865</u>	<u>5,317,856</u>
Excess (deficiency) of revenues over expenditures	<u>(2,144,403)</u>	<u>(3,657,490)</u>	<u>5,590,122</u>	<u>9,247,612</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	189,155	189,155
Transfers in	4,516,980	4,516,980	4,632,919	115,939
Transfers out	(2,372,577)	(9,482,157)	(9,482,157)	-
Net other financing sources (uses)	<u>2,144,403</u>	<u>(4,965,177)</u>	<u>(4,660,083)</u>	<u>305,094</u>
Net change in fund balance	-	(8,622,667)	930,039	\$ 9,552,706
Fund balance, beginning of year	<u>17,602,911</u>	<u>17,602,911</u>	<u>17,602,911</u>	
Fund balance, end of year	<u>\$ 17,602,911</u>	<u>\$ 8,980,244</u>	<u>\$ 18,532,950</u>	

MURRAY CITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2024



**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	\$ 4,735,884	\$ 4,735,884	\$ 954,181	\$ (3,781,703)
Intergovernmental	-	-	3,533,553	3,533,553
Miscellaneous	21,996	21,996	16,497	(5,499)
Investment income	255,000	255,000	514,894	259,894
Total revenues	<u>5,012,880</u>	<u>5,012,880</u>	<u>5,019,125</u>	<u>6,245</u>
EXPENDITURES				
Current:				
Highways and public improvements	3,133,106	4,169,982	3,422,913	747,069
Debt service				
Principal	355,000	355,000	355,000	-
Interest and fiscal charges	208,500	208,500	208,500	-
Total expenditures	<u>3,696,606</u>	<u>4,733,482</u>	<u>3,986,413</u>	<u>747,069</u>
Excess of revenues over expenditures	<u>1,316,274</u>	<u>279,398</u>	<u>1,032,712</u>	<u>753,314</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	325,000	325,000	325,000	-
Transfers out	(365,150)	(1,918,038)	(1,381,354)	536,684
Net other financing sources (uses)	<u>(40,150)</u>	<u>(1,593,038)</u>	<u>(1,056,354)</u>	<u>536,684</u>
Net change in fund balance	1,276,124	(1,313,640)	(23,642)	\$ 1,289,998
Fund balance, beginning of year	8,752,247	8,752,247	8,752,247	
Fund balance, end of year	<u>\$ 10,028,371</u>	<u>\$ 7,438,607</u>	<u>\$ 8,728,605</u>	

MURRAY CITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2024



**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	\$ 2,749,413	\$ 2,749,413	\$ 2,699,950	\$ (49,463)
Intergovernmental	12,900	19,979	11,971	(8,008)
Fines and forfeitures	15,000	15,000	19,803	4,803
Miscellaneous	3,500	3,500	10,274	6,774
Investment income	<u>186,000</u>	<u>186,000</u>	<u>358,555</u>	<u>172,555</u>
Total revenues	<u>2,966,813</u>	<u>2,973,892</u>	<u>3,100,553</u>	<u>126,661</u>
<u>EXPENDITURES</u>				
Current:				
Parks, recreation, and culture	2,392,890	2,399,969	2,115,312	284,657
Total expenditures	<u>2,392,890</u>	<u>2,399,969</u>	<u>2,115,312</u>	<u>284,657</u>
Net change in fund balance	573,923	573,923	985,241	\$ 411,318
Fund balance, beginning of year	<u>5,386,837</u>	<u>5,386,837</u>	<u>5,386,837</u>	
Fund balance, end of year	<u>\$ 5,960,760</u>	<u>\$ 5,960,760</u>	<u>\$ 6,372,078</u>	

MURRAY CITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2024



**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
REVENUES				
Miscellaneous	\$ 1,824,400	\$ 1,824,400	\$ 1,815,246	\$ (9,154)
Investment income	2,000	2,000	412,322	410,322
Total revenues	<u>1,826,400</u>	<u>1,826,400</u>	<u>2,227,568</u>	<u>401,168</u>
EXPENDITURES				
Current:				
General government	102,500	102,500	145,063	(42,563)
Highways and public improvements	-	500,000	123,642	376,358
Capital outlay	-	20,398,272	599,238	19,799,034
Debt service				
Principal	605,000	605,000	605,000	-
Interest	1,216,900	1,216,900	1,216,900	-
Debt issuance costs	-	213,165	206,830	6,335
Total expenditures	<u>1,924,400</u>	<u>23,035,837</u>	<u>2,896,673</u>	<u>20,139,164</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(98,000)</u>	<u>(21,209,437)</u>	<u>(669,105)</u>	<u>20,540,332</u>
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	18,860,000	18,860,000	-
Premium on bonds issued		1,353,165	1,353,165	-
Net other financing sources (uses)	-	20,213,165	20,213,165	-
Net change in fund balance	(98,000)	(996,272)	19,544,060	<u>\$ 20,540,332</u>
Fund balance, beginning of year	1,273,621	1,273,621	1,273,621	
Fund balance, end of year	<u>\$ 1,175,621</u>	<u>\$ 277,349</u>	<u>\$ 20,817,681</u>	

MURRAY CITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2024



**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 CALENDAR YEARS
MEASUREMENT DATE OF DECEMBER 31, 2023
JUNE 30, 2024**

		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%
	2022	1.3126809%	2,248,293	12,068,628	18.63%	97.5%
	2023	1.2950001%	3,003,837	12,402,761	24.22%	96.9%
Contributory System	2014	1.2881602%	\$ 371,561	\$ 688,420	54.00%	94.0%
	2015	1.3895583%	976,657	592,060	164.96%	85.7%
	2016	2.3929059%	785,139	574,149	136.75%	92.9%
	2017	2.1972913%	170,665	425,573	40.10%	98.2%
	2018	2.0981454%	851,433	392,708	216.81%	91.2%
	2019	2.3368421%	153,148	418,746	36.57%	98.6%
	2020	1.9305677%	(346,000)	318,457	-108.65%	103.9%
	2021	1.7837650%	(1,291,344)	262,003	-492.87%	115.9%
	2022	1.8806667%	193,422	264,023	73.26%	97.7%
	2023	0.5405567%	44,620	72,731	61.35%	98.2%
Public Safety System	2014	2.3828708%	\$ 2,996,658	\$ 3,620,709	82.80%	90.5%
	2015	2.4167832%	4,329,066	3,590,165	120.58%	87.1%
	2016	2.5723775%	5,220,064	3,828,372	136.35%	86.5%
	2017	2.3709950%	3,719,821	3,459,507	107.51%	90.2%
	2018	2.5817706%	6,641,824	3,722,855	178.41%	84.7%
	2019	2.8088166%	4,509,886	4,098,114	110.05%	90.9%
	2020	2.6899647%	2,233,320	3,943,020	56.64%	95.5%
	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%
	2023	2.3262417%	3,326,906	3,492,314	95.26%	93.4%
Firefighters System	2014	11.8165586%	\$ (674,298)	\$ 3,136,424	-21.50%	103.5%
	2015	11.5488265%	(209,172)	3,105,843	-6.73%	101.0%
	2016	12.0871251%	(95,289)	3,398,063	-2.80%	100.4%
	2017	11.5781685%	(723,117)	3,385,874	-21.36%	103.0%
	2018	11.3620768%	1,475,335	3,513,281	41.99%	94.3%
	2019	11.0721341%	(1,373,166)	3,545,014	-38.74%	105.0%
	2020	10.6031677%	(2,964,857)	3,459,222	-85.71%	110.5%
	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%
	2023	8.8006637%	(2,065,465)	3,360,223	-61.47%	106.8%
Tier 2 Public Employees System	2014	0.2312225%	\$ (7,007)	\$ 1,134,435	-0.60%	103.5%
	2015	0.2407870%	(526)	1,555,813	0.03%	100.2%
	2016	0.2467380%	29,524	2,170,558	1.36%	95.1%
	2017	2.4719860%	21,795	2,417,294	0.90%	97.4%
	2018	0.2618701%	112,153	3,052,903	3.67%	90.8%
	2019	0.2710481%	60,961	3,766,640	1.62%	96.5%
	2020	0.2678439%	38,523	4,282,041	0.90%	98.3%
	2021	0.2736091%	(115,802)	5,077,684	-2.28%	103.8%
	2022	0.2654440%	286,040	5,788,353	4.99%	92.3%
	2023	0.2746819%	534,636	7,101,459	7.53%	89.6%
Tier 2 Public Safety and Firefighter System	2014	1.7761219%	\$ (26,275)	\$ 734,851	-3.60%	120.5%
	2015	1.8809637%	(27,481)	1,119,342	-2.46%	110.7%
	2016	1.7286488%	(15,006)	1,428,252	-1.05%	103.6%
	2017	1.4908812%	(17,251)	1,573,437	-1.10%	103.0%
	2018	1.4780218%	37,033	1,974,242	1.88%	95.6%
	2019	1.4826876%	139,468	2,443,715	5.71%	89.6%
	2020	1.3859616%	124,313	2,760,535	4.50%	93.1%
	2021	1.2899438%	(65,197)	3,084,740	-2.11%	102.8%
	2022	1.3176228%	109,922	4,054,043	2.71%	96.40%
	2023	1.3495537%	508,366	5,113,523	9.94%	89.10%

MURRAY CITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2024



SCHEDULE OF CONTRIBUTIONS

LAST 10 FISCAL YEARS

JUNE 30, 2024

		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						
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%	
2024	2,137,322	2,137,322	-	12,222,526	17.49%	
Contributory System						
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%	
2024	-	-	-	-	0.00%	
Public Safety System						
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%	
2024	1,126,471	1,126,471	-	3,496,817	32.21%	
Firefighters System						
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%	
2024	124,727	124,727	-	3,455,237	3.61%	
Tier 2 Public Employees System **						
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%	
2024	1,223,896	1,223,896	-	7,647,815	16.00%	
Tier 2 Public Safety and Firefighter System						
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%	
2024	1,165,523	1,165,523	-	5,392,369	21.61%	
Tier 2 Public Employees DC Only System **						
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%	
2024	69,197	69,197	-	1,102,854	6.27%	
Tier 2 Public Safety and Firefighter DC Only System **						
2015	\$ 5,178,00	\$ 5,178,00	\$ -	\$ 43,767,00	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%	
2024	31,433	31,433	-	644,473	4.88%	

** 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

Changes include updates to the mortality improvement assumption, salary increase assumption, disability incidence assumption, assumed retirement rates, and assumed termination rates, as recommended with the January 1, 2023 actuarial experience study.

NOTE 2- BASIS OF BUDGETING

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

MURRAY CITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2024



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SUPPLEMENTARY INFORMATION



For Fiscal Year Ended June 30, 2024



**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	\$ 10,660	\$ 2,160
Investment income	48,000	48,000	85,015	37,015
Total revenues	<u>56,500</u>	<u>56,500</u>	<u>95,675</u>	<u>39,175</u>
EXPENDITURES				
Current:				
Parks, recreation, and culture	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	56,500	56,500	95,675	\$ 39,175
Fund balance, beginning of year	1,477,747	1,477,747	1,477,747	
Fund balance, end of year	<u>\$ 1,534,247</u>	<u>\$ 1,534,247</u>	<u>\$ 1,573,422</u>	



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 4,101,885	\$ 2,418,842	\$ (1,683,043)
Impact fees	-	-	1,184,708	1,184,708
Miscellaneous	-	4,432	64,632	60,200
Investment income	819,000	904,000	1,721,468	817,468
Total revenues	<u>819,000</u>	<u>5,010,317</u>	<u>5,389,650</u>	<u>379,333</u>
EXPENDITURES				
Current:				
General government	371,800	516,252	91,530	424,722
Public safety	1,674,508	3,192,166	673,699	2,518,467
Highways and public improvements	3,591,000	4,487,483	331,704	4,155,779
Parks, recreation, and culture	10,577,000	14,198,869	811,322	13,387,547
Capital outlay	-	13,349,489	13,349,489	-
Total expenditures	<u>16,214,308</u>	<u>35,744,259</u>	<u>15,257,744</u>	<u>20,486,515</u>
Excess (deficiency) of revenues over expenditures	<u>(15,395,308)</u>	<u>(30,733,942)</u>	<u>(9,868,094)</u>	<u>20,865,848</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	103,847	103,847
Transfers in	1,987,577	9,397,157	10,113,361	716,204
Transfers out	<u>(189,000)</u>	<u>(206,405)</u>	<u>(206,405)</u>	-
Net other financing sources (uses)	<u>1,798,577</u>	<u>9,190,752</u>	<u>10,010,803</u>	<u>820,051</u>
Net change in fund balance	<u>(13,596,731)</u>	<u>(21,543,190)</u>	<u>142,709</u>	<u>\$ 21,685,899</u>
Fund balance, beginning of year	<u>37,877,239</u>	<u>37,877,239</u>	<u>37,877,239</u>	
Fund balance, end of year	<u>\$ 24,280,508</u>	<u>\$ 16,334,049</u>	<u>\$ 38,019,948</u>	



INTERNAL SERVICE FUNDS

Central Garage Fund

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

Retained Risk Fund

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



**STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS**

	Central Garage Fund	Retained Risk Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 239,488	\$ 1,958,123	\$ 2,197,611
Investments	-	334,539	334,539
Inventory	104,481	-	104,481
Prepaid items	-	425	425
Total current assets	<u>343,969</u>	<u>2,293,087</u>	<u>2,637,056</u>
Noncurrent assets			
Investments	-	514,835	514,835
Other assets	-	25,000	25,000
Capital assets			
Equipment	309,428	-	309,428
Less: Accumulated depreciation	(219,641)	-	(219,641)
Total noncurrent assets	<u>89,787</u>	<u>539,835</u>	<u>629,622</u>
Total assets	<u>433,756</u>	<u>2,832,922</u>	<u>3,266,678</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	<u>92,389</u>	<u>86,785</u>	<u>179,174</u>
Total deferred outflows of resources	<u>92,389</u>	<u>86,785</u>	<u>179,174</u>
LIABILITIES			
Current liabilities			
Accounts payable	3,327	69,498	72,825
Accrued liabilities	10,540	355,082	365,622
Compensated absences	54,904	18,241	73,145
Total current liabilities	<u>68,771</u>	<u>442,821</u>	<u>511,592</u>
Noncurrent liabilities			
Compensated absences	4,572	1,519	6,091
Net pension payable	51,977	48,825	100,802
Total noncurrent liabilities	<u>56,549</u>	<u>50,344</u>	<u>106,893</u>
Total liabilities	<u>125,320</u>	<u>493,165</u>	<u>618,485</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	<u>629</u>	<u>591</u>	<u>1,220</u>
Total deferred inflows of resources	<u>629</u>	<u>591</u>	<u>1,220</u>
NET POSITION			
Net investment in capital assets	89,787	-	89,787
Unrestricted	310,409	2,425,951	2,736,360
Total net position	<u>\$ 400,196</u>	<u>\$ 2,425,951</u>	<u>\$ 2,826,147</u>



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

	Central Garage Fund	Retained Risk Fund	Total
OPERATING REVENUES			
Charges for services	\$ 613,624	\$ 1,821,913	\$ 2,435,537
Other	-	1,996	1,996
Total operating revenues	613,624	1,823,909	2,437,533
OPERATING EXPENSES			
Wages and benefits	520,572	252,585	773,157
Operations and maintenance	80,215	1,392,518	1,472,733
Depreciation	25,448	-	25,448
Total operating expenses	626,235	1,645,103	2,271,338
Operating income	(12,611)	178,806	166,195
NONOPERATING REVENUES (EXPENSES)			
Investment income	12,305	122,269	134,574
Total nonoperating revenues (expenses)	12,305	122,269	134,574
Change in net position	(306)	301,075	300,769
Total net position, beginning of year	400,502	2,124,876	2,525,378
Total net position, end of year	\$ 400,196	\$ 2,425,951	\$ 2,826,147



**STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

	Central Garage Fund	Retained Risk Fund	Total
Cash flows from operating activities			
Receipts from customers and users	\$ 613,624	\$ 1,849,861	\$ 2,463,485
Payments to suppliers of goods and services	(81,977)	(1,415,313)	(1,497,290)
Payments to employees for services	(515,803)	(290,760)	(806,563)
Net cash provided by operating activities	<u>15,844</u>	<u>143,788</u>	<u>159,632</u>
Cash flows from capital and related financing activities			
Purchases of capital assets	(11,995)	-	(11,995)
Net cash used by capital and related financing activities	<u>(11,995)</u>	<u>-</u>	<u>(11,995)</u>
Cash flows from investing activities			
Purchase of investments	-	(145,265)	(145,265)
Investment income	12,305	122,269	134,574
Net cash provided (used) by investing activities	<u>12,305</u>	<u>(22,996)</u>	<u>(10,691)</u>
Net increase in cash and cash equivalents	16,154	120,792	136,946
Cash and cash equivalents - beginning of year	223,334	1,837,331	2,060,665
Cash and cash equivalents - end of year	<u>\$ 239,488</u>	<u>\$ 1,958,123</u>	<u>\$ 2,197,611</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ (12,611)	\$ 178,806	\$ 166,195
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	25,448	-	25,448
(Increase) decrease in receivables	-	25,952	25,952
(Increase) decrease in inventory, prepaids, and other assets	(3,178)	(25,425)	(28,603)
Increase (decrease) in liabilities	6,185	(35,545)	(29,360)
Net cash provided by operating activities	<u>\$ 15,844</u>	<u>\$ 143,788</u>	<u>\$ 159,632</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				Total	
	Murray Parkway Recreation Fund	Solid Waste Management Fund	Telecom Fund			
ASSETS						
Current assets						
Cash and cash equivalents	\$ 2,208,568	\$ 1,891,048	\$ 69,878	\$ 4,169,494		
Investments	-	-	22,332	22,332		
Accounts receivable (net)	-	301,435	1,909	303,344		
Notes receivable	-	-	16,311	16,311		
Inventory	67,445	-	-	67,445		
Total current assets	2,276,013	2,192,483	110,430	4,578,926		
Noncurrent assets						
Restricted cash	1,500	-	-	1,500		
Investments	-	-	34,367	34,367		
Notes receivable	-	-	71,246	71,246		
Investments in joint ventures	-	3,413,716	-	3,413,716		
Capital assets						
Land	326,336	-	-	326,336		
Buildings	888,454	-	-	888,454		
Improvements other than buildings	6,147,369	-	-	6,147,369		
Equipment	1,667,062	510,387	-	2,177,449		
Less: Accumulated depreciation	(6,600,153)	(375,324)	-	(6,975,477)		
Total noncurrent assets	2,430,568	3,548,779	105,613	6,084,960		
Total assets	4,706,581	5,741,262	216,043	10,663,886		
DEFERRED OUTFLOWS OF RESOURCES						
Pension related	161,853	46,245	-	208,098		
Total deferred outflows of resources	161,853	46,245	-	208,098		
LIABILITIES						
Current liabilities						
Accounts payable	17,924	158,936	227	177,087		
Accrued liabilities	203,126	2,603	-	205,729		
Interfund payable	689,117	-	-	689,117		
Compensated absences	84,951	7,199	-	92,150		
Notes payable	-	-	16,311	16,311		
Customer deposits	1,500	-	-	1,500		
Total current liabilities	996,618	168,738	16,538	1,181,894		
Noncurrent liabilities						
Notes payable	-	-	71,246	71,246		
Compensated absences	7,075	599	-	7,674		
Net pension payable	91,057	26,017	-	117,074		
Total noncurrent liabilities	98,132	26,616	71,246	195,994		
Total liabilities	1,094,750	195,354	87,784	1,377,888		
DEFERRED INFLOWS OF RESOURCES						
Pension related	1,102	315	-	1,417		
Total deferred inflows of resources	1,102	315	-	1,417		
NET POSITION						
Net investment in capital assets	1,739,951	135,063	-	1,875,014		
Unrestricted	2,032,631	5,456,775	128,259	7,617,665		
Total net position	\$ 3,772,582	\$ 5,591,838	\$ 128,259	\$ 9,492,679		

MURRAY CITY
SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2024



**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
OPERATING REVENUES				
Charges for services	\$ 2,089,627	\$ 2,518,582	\$ 44,706	\$ 4,652,915
Other	6,488	939	-	7,427
Total operating revenues	2,096,115	2,519,521	44,706	4,660,342
OPERATING EXPENSES				
Wages and benefits	915,484	223,688	-	1,139,172
Administrative fees	-	357,923	-	357,923
Operations and maintenance	529,253	1,767,900	42,760	2,339,913
Depreciation and amortization	282,009	35,398	-	317,407
Total operating expenses	1,726,746	2,384,909	42,760	4,154,415
Operating income (loss)	369,369	134,612	1,946	505,927
NONOPERATING REVENUES (EXPENSES)				
Investment income	102,249	97,648	6,786	206,683
Interest and fiscal charges	(17,186)	-	-	(17,186)
Equity in income of joint venture	-	371,612	-	371,612
Total nonoperating revenues (expenses)	85,063	469,260	6,786	561,109
Income (loss) before transfers	454,432	603,872	8,732	1,067,036
Transfers in	249,000	-	-	249,000
Change in net position	703,432	603,872	8,732	1,316,036
Total net position, beginning of year	3,069,150	4,987,966	119,527	8,176,643
Total net position, end of year	\$ 3,772,582	\$ 5,591,838	\$ 128,259	\$ 9,492,679



**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	\$ 2,096,115	\$ 2,523,516	\$ 44,578	\$ 4,664,209
Payments to suppliers of goods and services	(493,449)	(1,766,574)	(42,533)	(2,302,556)
Payments to employees for services	(927,140)	(240,253)	-	(1,167,393)
Payment for interfund services	-	(357,923)	-	(357,923)
Net cash provided by operating activities	<u>675,526</u>	<u>158,766</u>	<u>2,045</u>	<u>836,337</u>
Cash flows from noncapital financing activities				
Transfers from other funds	249,000	-	-	249,000
Changes to interfund receivables and payables	(170,182)	-	-	(170,182)
Net cash provided by noncapital financing activities	<u>78,818</u>	<u>-</u>	<u>-</u>	<u>78,818</u>
Cash flows from capital and related financing activities				
Purchases of capital assets	(145,799)	(63,894)	-	(209,693)
Interest paid on capital debt	(17,186)	-	-	(17,186)
Net cash used by capital and related financing activities	<u>(162,985)</u>	<u>(63,894)</u>	<u>-</u>	<u>(226,879)</u>
Cash flows from investing activities				
Sale (purchase) of investments	-	-	(3,211)	(3,211)
Investment income	102,249	97,648	6,786	206,683
Net cash provided by investing activities	<u>102,249</u>	<u>97,648</u>	<u>3,575</u>	<u>203,472</u>
Net increase in cash and cash equivalents	693,608	192,520	5,620	891,748
Cash and cash equivalents - beginning of year	<u>1,516,460</u>	<u>1,698,528</u>	<u>64,258</u>	<u>3,279,246</u>
Cash and cash equivalents - end of year	<u>\$ 2,210,068</u>	<u>\$ 1,891,048</u>	<u>\$ 69,878</u>	<u>\$ 4,170,994</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 369,369	\$ 134,612	\$ 1,946	\$ 505,927
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	282,009	35,398	-	317,407
(Increase) decrease in receivables	-	3,995	(128)	3,867
(Increase) decrease in inventory and prepaid items	3,089	-	-	3,089
Increase (decrease) in liabilities	<u>21,059</u>	<u>(15,239)</u>	<u>227</u>	<u>6,047</u>
Net cash provided by operating activities	<u>\$ 675,526</u>	<u>\$ 158,766</u>	<u>\$ 2,045</u>	<u>\$ 836,337</u>

STATISTICAL SECTION



For Fiscal Year Ended June 30, 2024



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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

MURRAY CITY
STATISTICAL SECTION
For the Fiscal Year Ended June 30, 2024



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SCHEDULE 1 - NET POSITION BY COMPONENT

Last Ten Fiscal Years

Accrual basis of accounting
(Amounts expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Net investment in capital assets	\$140,810	\$133,392	\$133,036	\$133,861	\$131,608	\$121,879	\$68,475	\$70,308	\$64,825	\$60,998
Restricted	10,264	7,667	4,823	3,566	2,141	8,495	8,859	5,616	4,030	3,633
Unrestricted	68,843	66,423	52,596	36,124	22,584	17,107	20,424	16,245	16,398	15,199
Total governmental net position	219,917	207,482	190,455	173,551	156,333	147,481	97,758	92,169	85,253	79,830
Business-type activities										
Net investment in capital assets	71,804	69,401	67,447	67,917	67,590	69,011	66,553	66,627	71,916	63,107
Restricted	287	273	263	265	269	1,546	1,919	2,803	296	599
Unrestricted	46,800	48,500	57,030	52,062	49,376	41,667	28,097	25,233	20,862	24,469
Total business-type net position	118,891	118,174	124,740	120,244	117,235	112,224	96,569	94,663	93,074	88,175
Primary government										
Net investment in capital assets	212,614	202,793	200,483	201,778	199,198	190,890	135,028	136,935	136,741	124,105
Restricted	10,551	7,940	5,086	3,831	2,410	10,042	10,778	8,419	4,326	4,232
Unrestricted	115,643	114,923	109,626	88,186	71,960	58,774	48,521	41,478	37,260	39,668
Total primary government net position	\$338,808	\$325,656	\$315,195	\$293,795	\$273,568	\$259,706	\$194,327	\$186,832	\$178,327	\$168,005



SCHEDULE 2 - CHANGE IN NET POSITION

Last Ten Fiscal Years

Accrual basis of accounting

(Amounts expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental activities										
General government	\$12,609	\$10,193	\$7,198	\$8,610	\$10,547	\$11,048	\$8,858	\$8,988	\$8,192	\$8,195
Public safety	29,412	27,454	24,473	22,793	23,740	23,587	19,238	20,510	19,661	17,450
Highways and public improvements	11,469	12,165	8,864	8,775	8,798	7,993	6,253	6,842	6,870	6,291
Parks, recreation, and culture	12,920	12,081	9,675	9,084	9,058	9,158	9,931	8,682	8,444	8,030
Debt service - interest and fiscal charges	1,925	1,452	1,488	1,267	335	350	335	323	317	303
Total governmental expenses	<u>68,335</u>	<u>63,346</u>	<u>51,698</u>	<u>50,529</u>	<u>52,478</u>	<u>52,136</u>	<u>44,615</u>	<u>45,345</u>	<u>43,484</u>	<u>40,269</u>
Business-type activities										
Water	7,140	6,162	5,412	5,399	5,365	4,864	4,828	4,755	4,560	4,399
Wastewater	6,733	6,614	5,715	4,961	5,282	4,464	6,748	5,612	3,425	3,555
Power	44,262	47,748	34,733	36,986	32,730	31,635	32,142	32,080	32,429	32,613
Murray parkway	1,744	1,694	1,424	1,492	1,493	1,501	1,382	1,729	1,295	1,394
Telecom	43	44	56	60	77	72	83	68	84	69
Solid waste	2,385	2,200	2,106	2,012	1,945	1,714	1,616	1,571	1,323	1,229
Storm water	2,231	2,263	1,978	2,242	2,990	2,709	2,614	2,457	2,342	2,452
Total business-type activities expenses	<u>64,538</u>	<u>66,725</u>	<u>51,424</u>	<u>53,152</u>	<u>49,882</u>	<u>46,959</u>	<u>49,413</u>	<u>48,272</u>	<u>45,458</u>	<u>45,711</u>
Total primary government expenses	<u>\$132,873</u>	<u>\$130,071</u>	<u>\$103,122</u>	<u>\$103,681</u>	<u>\$102,360</u>	<u>\$99,095</u>	<u>\$94,028</u>	<u>\$93,617</u>	<u>\$88,942</u>	<u>\$85,980</u>
Program revenues										
Governmental activities										
Charges for services										
General government	\$5,050	\$5,208	\$3,471	\$3,200	\$3,360	\$5,534	\$3,159	\$3,545	\$3,680	\$3,340
Public safety	2,875	2,690	3,217	2,700	2,019	2,608	2,123	2,176	1,808	1,661
Highways & public improvements	-	-	-	-	-	1,810	-	-	-	63
Parks, recreation, and culture	2,145	1,996	1,823	1,236	1,387	1,988	1,779	1,777	2,025	1,739
Operating grants and contributions	6,934	8,751	8,102	8,326	6,019	-	2,527	2,638	2,514	3,306
Capital grants & contributions	4,529	5,361	1,056	4,714	3,616	4,780	429	2,239	1,496	213
Total governmental program revenues	<u>21,533</u>	<u>24,006</u>	<u>17,669</u>	<u>20,176</u>	<u>16,401</u>	<u>16,720</u>	<u>10,017</u>	<u>12,375</u>	<u>11,523</u>	<u>10,322</u>
Business-type activities										
Charges for services										
Water	7,282	7,129	6,451	7,426	7,286	6,046	5,751	5,802	5,476	5,245
Wastewater	8,389	8,061	6,038	5,369	5,092	4,833	4,743	4,878	4,815	4,600
Power	40,832	37,353	35,945	36,886	36,258	37,853	37,389	37,254	38,173	36,824
Murray parkway	2,096	1,743	1,726	1,643	1,426	1,254	1,252	1,180	1,274	1,394
Telecom	45	47	52	60	69	74	84	68	84	71
Solid waste	2,519	2,528	2,496	2,530	2,286	1,793	1,659	1,605	1,485	1,385
Storm water	3,222	2,968	2,678	2,362	1,915	1,918	1,879	1,650	1,641	1,617
Operating grants & contributions	-	-	1,177	193	25	-	-	-	-	-
Capital grants & contributions	1,767	1,910	2,096	1,771	1,794	3,309	256	702	167	178
Total business-type program revenues	<u>66,152</u>	<u>61,739</u>	<u>58,659</u>	<u>58,240</u>	<u>56,151</u>	<u>57,080</u>	<u>53,013</u>	<u>53,139</u>	<u>53,115</u>	<u>51,314</u>
Total primary government program revenues	<u>\$87,685</u>	<u>\$85,745</u>	<u>\$76,328</u>	<u>\$78,416</u>	<u>\$72,552</u>	<u>\$73,800</u>	<u>\$63,030</u>	<u>\$65,514</u>	<u>\$64,638</u>	<u>\$61,636</u>
Net (expense)/revenue										
Governmental activities	\$(46,802)	\$(39,340)	\$(34,029)	\$(30,353)	\$(36,077)	\$(35,416)	\$(34,598)	\$(32,970)	\$(31,961)	\$(29,947)
Business-type activities	1,614	(4,986)	7,235	5,088	6,269	10,121	3,600	4,867	7,657	5,603
Total primary government net expense	<u>\$(45,188)</u>	<u>\$(44,326)</u>	<u>\$(26,794)</u>	<u>\$(25,265)</u>	<u>\$(29,808)</u>	<u>\$(25,295)</u>	<u>\$(30,998)</u>	<u>\$(28,103)</u>	<u>\$(24,304)</u>	<u>\$(24,344)</u>



SCHEDULE 2 - CHANGE IN NET POSITION (continued)

Last Ten Fiscal Years

Accrual basis of accounting

(Amounts expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General revenues & other changes in net position										
Governmental activities										
Taxes										
Sales taxes	\$29,413	\$29,170	\$28,839	\$25,403	\$22,327	\$20,769	\$20,320	\$19,434	\$17,596	\$14,181
Property taxes	16,054	15,415	13,737	13,693	13,194	13,475	10,996	11,093	11,031	11,052
Franchise taxes	4,987	4,962	4,444	4,208	4,301	4,459	4,630	4,666	4,794	4,724
Investment income	4,408	2,821	46	318	937	1,007	455	391	232	171
Gain/(loss) on sale & disposal of assets	63	8	57	48	64	69	(2)	57	82	31
Miscellaneous	311	157	219	253	402	260	292	608	417	349
Rent, transfers & miscellaneous	4,001	3,834	3,591	3,648	3,704	1,374	3,599	3,638	3,231	4,173
Total governmental activities	<u>59,237</u>	<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>
Business-type activities										
Investment income	1,796	1,346	151	265	1,035	1,076	626	408	383	308
Equity investment income	1,230	892	642	1,226	1,384	1,173	-	-	-	-
Gain/(loss) on sale & disposal of assets	78	16	59	78	27	83	(105)	3	90	50
Rent & transfers	(4,001)	(3,834)	(3,591)	(3,648)	(3,704)	(1,374)	(3,599)	(3,638)	(3,231)	(4,173)
Total business-type activities	<u>(897)</u>	<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>
Total primary government	<u><u>\$58,340</u></u>	<u><u>\$54,787</u></u>	<u><u>\$48,194</u></u>	<u><u>\$45,492</u></u>	<u><u>\$43,671</u></u>	<u><u>\$42,371</u></u>	<u><u>\$37,212</u></u>	<u><u>\$36,660</u></u>	<u><u>\$34,625</u></u>	<u><u>\$30,866</u></u>
Change in net position										
Governmental activities	\$12,435	\$17,027	\$16,904	\$17,218	\$8,852	\$5,997	\$5,692	\$6,917	\$5,422	\$4,734
Business-type activities	\$717	\$6,566	\$4,496	\$3,009	5,011	11,079	522	1,640	4,899	1,788
Total primary government	<u><u>\$13,152</u></u>	<u><u>\$10,461</u></u>	<u><u>\$21,400</u></u>	<u><u>\$20,227</u></u>	<u><u>\$13,863</u></u>	<u><u>\$17,076</u></u>	<u><u>\$6,214</u></u>	<u><u>\$8,557</u></u>	<u><u>\$10,321</u></u>	<u><u>\$6,522</u></u>

Note: From FY2015 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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General fund										
Nonspendable	\$7	\$43	\$3	\$23	\$13	\$13	\$52	\$129	\$173	\$148
Restricted	2,631	1,835	1,274	166	121	58	121	340	104	258
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	15,895	15,725	13,468	12,562	11,758	11,382	10,164	8,797	9,280	8,624
Total general fund	<u>\$18,533</u>	<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>
All other governmental funds										
Nonspendable	\$47	\$45	\$106	\$782	\$39	\$681	\$35	\$39	\$36	\$34
Restricted	25,908	10,611	24,798	32,769	2,020	8,438	8,651	5,260	3,926	3,374
Committed	1,573	1,478	1,405	1,416	1,399	1,349	1,433	1,420	1,354	1,046
Assigned	47,984	42,635	37,452	26,967	18,227	13,436	14,193	12,016	10,999	11,282
Total all other governmental funds	<u>\$75,512</u>	<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>



SCHEDULE 4 - CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Modified accrual basis of accounting

(Amounts expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Taxes & special assessments	\$50,454	\$49,547	\$47,020	\$43,304	\$39,822	\$38,703	\$35,946	\$35,193	\$33,421	\$29,956
Licenses & permits	1,910	2,110	2,339	2,205	2,171	1,830	1,776	2,088	1,989	1,530
Impact Fees ²	1,185	2,344	110	-	-	-	-	-	-	-
Intergovernmental	9,229	10,360	8,506	11,583	5,999	6,018	2,709	3,974	3,372	2,905
Charges for services	4,884	4,674	4,416	3,387	3,292	3,785	3,720	3,479	3,419	2,944
Fines & forfeitures	1,043	1,043	918	817	1,044	1,287	1,245	1,347	1,623	1,810
Emergency 911 Fees ¹	-	-	-	-	-	-	-	475	466	448
Miscellaneous	2,196	2,050	286	319	480	417	292	608	418	349
Investment income	4,274	2,742	57	307	885	949	426	371	220	163
Total revenues	<u>75,175</u>	<u>74,870</u>	<u>63,652</u>	<u>61,922</u>	<u>53,693</u>	<u>52,989</u>	<u>46,114</u>	<u>47,535</u>	<u>44,928</u>	<u>40,105</u>
Expenditures										
General government	9,827	9,287	6,801	6,756	7,700	8,240	6,767	6,659	6,374	6,355
Public safety	28,164	26,644	24,598	22,989	22,145	21,674	18,597	18,993	18,371	17,483
Highways & public improvements	8,858	9,853	6,900	6,563	6,320	5,645	4,220	4,598	4,790	4,536
Parks, recreation and culture	12,052	11,652	9,725	8,436	7,859	7,951	9,106	7,579	7,660	7,238
Capital outlay	14,010	22,606	17,342	11,910	12,281	9,187	7,720	12,603	5,910	6,608
Debt service										
Principal	1,806	1,724	1,003	815	790	771	511	4,376	2,008	1,565
Interest	1,655	1,717	1,707	1,093	475	499	434	420	349	331
Bond issuance costs	207	-	43	279	-	-	-	-	-	-
Pledge payment - UTOPIA	1,429	1,428	1,892	1,855	1,819	1,783	1,748	1,714	1,680	1,647
Total expenditures	<u>78,008</u>	<u>84,911</u>	<u>70,011</u>	<u>60,696</u>	<u>59,389</u>	<u>55,750</u>	<u>49,103</u>	<u>56,942</u>	<u>47,142</u>	<u>45,763</u>
Excess of revenues over (under)										
expenditures	<u>(2,833)</u>	<u>(10,041)</u>	<u>(6,359)</u>	<u>1,226</u>	<u>(5,696)</u>	<u>(2,761)</u>	<u>(2,989)</u>	<u>(9,407)</u>	<u>(2,214)</u>	<u>(5,658)</u>
Other financing sources (uses)										
Proceeds from borrowing	18,860	-	6,533	36,186	-	-	5,898	7,521	-	-
Premium on bonds issued	1,353	-	-	-	-	-	-	-	-	-
Leases and Subscriptions	189	8	-	-	-	-	-	-	-	-
Transfers in	15,071	15,648	24,078	16,503	13,064	11,263	17,048	9,632	8,583	8,255
Transfers out	(11,070)	(11,814)	(20,487)	(12,855)	(9,304)	(7,873)	(13,448)	(5,694)	(5,346)	(4,074)
Sales of capital assets	104	63	57	48	156	78	40	77	82	16
Total other financing sources (uses)	<u>24,507</u>	<u>3,905</u>	<u>10,181</u>	<u>39,882</u>	<u>3,916</u>	<u>3,468</u>	<u>9,538</u>	<u>11,536</u>	<u>3,319</u>	<u>4,197</u>
Net change in fund balances	<u>\$21,674</u>	<u>\$(6,136)</u>	<u>\$3,822</u>	<u>\$41,108</u>	<u>\$(1,780)</u>	<u>\$707</u>	<u>\$6,549</u>	<u>\$2,129</u>	<u>\$1,105</u>	<u>\$(1,461)</u>
Debt service as a % of noncapital expenditures	7.64%	7.81%	8.74%	7.71%	6.55%	6.56%	6.51%	14.68%	9.79%	9.05%

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
2024	\$15,100,059	\$4,487,734	\$29,138,577	\$4,986,775	\$274,293	\$53,987,438
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

*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. In FY 2024 the City passed a 3% 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
2023	2024	\$7,925,673,319	\$11,711,670,722	67.67%	0.001513	0.000331
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

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
2023	2024	0.001513	0.000331	0.004742	0.001394	0.000159	0.000400
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

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
2023	2024	\$11,451,172	\$11,642,109	101.67%	-	\$11,642,109	101.67%
2022	2023	10,905,878	11,172,507	102.44%	117,618	11,290,125	103.52%
2021	2022	9,425,959	9,513,442	100.93%	170,331	9,683,773	102.74%
2020	2021	9,298,286	9,451,733	101.65%	144,017	9,595,750	103.20%
2019	2020	9,188,763	9,155,416	99.64%	177,843	9,333,259	101.57%
2018	2019	9,096,000	9,367,632	102.99%	241,112	9,608,744	105.64%
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%

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, 2024 and 2015

Taxpayer	Business Type	2024			Percentage of Total Taxable Value	2015			Percentage of Total Taxable Value
		Taxable Value	Rank			Taxable Value	Rank		
Fashion Place SA LLC	Retail	\$348,036,000	1	4.1%		\$89,690,700	1	2.4%	
IHC Health Services 5121 S Cottonwood	Office	103,535,700	2	1.2%		74,212,630	2	2.0%	
Sreit Avida, LLC	Housing	58,263,254	3	0.7%					
900 East Ivy Place LLC	Retail	56,681,460	4	0.7%					
Stillwater Apartments	Housing	50,301,900	5	0.6%		23,435,500	4	0.6%	
Mig Cobble Creek, LLC	Housing	48,732,310	6	0.6%		18,991,280	7	0.5%	
Acension LLC	Office	48,409,800	7	0.6%					
5300 Development LLC	Office	45,378,004	8	0.5%					
Murray Crossing LLC	Housing	42,551,960	9	0.5%					
The Pointe @ 53rd LLC	Retail	39,322,300	10	0.5%		28,919,700	3	0.8%	
IHC Health Services 5383 S Green Street	Office		16			22,521,590	5	0.6%	
Dillards	Retail		-			21,658,900	6	0.6%	
5300 South Center LLC	Office		28			18,338,060	8	0.5%	
Bridge Office Building SLC LP	Office		40			15,434,600	9	0.4%	
James Pointe	Housing		13			14,782,680	10	0.4%	
		<u>\$841,212,688</u>		<u>9.9%</u>		<u>\$327,985,640</u>		<u>8.7%</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, 2024 and 2015

Taxpayer	2024		2015	
	Rank	Percentage of Total City Sales Taxes	Rank	Percentage of Total City Sales Taxes
Retail	1	7.08%	1	8.37%
Vehicle Sales	2	3.71%	2	3.27%
Vehicle Sales	3	3.09%	5	2.43%
Retail	4	2.72%	10	1.85%
Online Retailer	5	2.60%		
Vehicle Sales	6	2.32%	12	1.60%
Vehicle Sales	7	2.27%	4	2.45%
Retail	8	2.18%	8	2.04%
Vehicle Sales	9	1.76%	11	1.79%
Retail	10	1.63%	3	2.54%
Vehicle Sales	11	1.62%	9	1.94%
Vehicle Sales	12	1.50%	7	2.24%
Retail	13	1.25%		
Online Retailer	14	1.21%		
Retail	15	1.20%	13	1.45%
Retail	16	1.11%	14	1.36%
Vehicle Sales	17	1.10%		
Vehicle Sales	18	0.98%		
Retail	19	0.95%		
Municipality	20	0.94%	16	1.29%
Retail			6	2.25%
Retail			15	1.31%
Vehicle Sales			17	1.27%
Retail			18	1.19%
Retail			19	1.09%
Retail			20	0.94%
		<u>41.22%</u>		<u>42.67%</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
2024	1.20%	1.40%	4.85%
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%

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 and Subscriptions	Revenue Bonds	Leases and Subscriptions			
2024	\$68,979,208	\$152,540	\$12,354,514	\$296,327	\$81,782,589	2.18%	\$1,650
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

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	\$ 18,650,000	100.00%	\$ 21,330,000
Salt Lake County General Obligation Debt	106,700,000	4.560%	4,865,520
Other debt			
Salt Lake County Sales Tax Bonds	124,300,000	4.18%	5,195,740
Salt Lake County Direct placement STR Bonds	13,300,000	4.18%	555,940
Salt Lake County Lease Revenue Bonds	71,100,000	4.18%	2,971,980
Salt Lake County Capital Leases	3,300,000	4.18%	137,940
Salt Lake County Subscription Liabilities	5,900,000	4.18%	246,620
Salt Lake County Transportation Rev. Bonds	45,600,000	4.18%	1,906,080
Salt Lake County Notes Payable	60,300,000	4.18%	2,520,540
Murray City Schools Lease Revenue Bonds	2,850,000	100.00%	2,850,000
Subtotal, overlapping debt			42,580,360
Murray City direct debt			69,131,748
Total direct and overlapping debt			\$ 111,712,108

Sources: Murray School District and Salt Lake County ACFR(s) for the latest available fiscal year (FY 2023)

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 2023 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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt limit										
General (4% Fair Cash Value)	\$468,467	\$450,819	\$359,780	\$333,574	\$307,914	\$281,730	\$258,182	\$237,794	\$219,104	\$207,780
Water and Sewer (4% Fair Cash Value)	468,467	450,819	359,780	333,574	307,914	281,730	258,182	237,794	219,104	207,780
Total 8% Debt Limit	936,934	901,638	719,560	667,149	615,827	563,460	516,365	475,588	438,207	415,560
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$936,934</u>	<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>
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	\$7,925,673									
Estimated Actual Real Taxable Value	\$11,711,671									
Debt Limit (8% of Reasonable Fair Cash Value)	936,934									
Debt Applicable to Limit:										
General Obligation Bonds	-									
Less: Amount Set Aside for Repayment of General Obligation Debt		-								
Total Net Debt Applicable to Limit		-								
Legal Debt Margin	<u>\$936,934</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			
2024	\$29,412,870	\$1,162,000	\$436,933	18.40		
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		

Lease Revenue Bonds						
Fiscal Year	Lease Revenue ¹	Debt Service			Coverage	
		Principal	Interest			
2024	\$1,824,400	\$605,000	\$1,216,900	1.00		
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		
				Principal	Interest	Coverage
2024	\$41,929,669	\$42,266,094	\$(-336,425)	\$ -	\$ -	N/A
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

Water and Sewer Revenue Bonds						
Fiscal Year	Utility Revenues ²	Less Utility Expenses ³	Total Available Revenue	Debt Service		
				Principal	Interest	Coverage
2024	\$16,988,145	\$11,600,403	\$5,387,742	\$732,000	\$118,952	6.33
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

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

Fiscal Year	Storm Water Revenue Bonds					
	Utility Revenues ²	Less Utility Expenses ³	Total Available Revenue	Debt Service		
				Principal	Interest	Coverage
2024	\$3,332,634	\$1,679,291	\$1,653,343	\$260,000	\$109,276	4.48
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

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
2024	49,553	\$3,758,049,967	\$75,839	3.4%
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%

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, 2024 and 2015

Employer	Industry Type	2024		2015	
		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	933	3	862
Murray City Corporation	City Government	5	719	4	802
IHC Health Services	Health Care - Medical Lab	6	378		
Costco Wholesale Corp	Retailer	7	368	7	349
3M Health Information Systems	Data Processing Services	8	350	6	350
Nordstrom, Inc.	Retailer	9	296	8	262
The Cheesecake Factory	Retailer	10	255	9	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

<u>Function/Program</u>	Full Time Equivalent Employees as of June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government	59	59	58	63	60	57	68	64	63	63
Police										
Officers	83	80	82	79	80	83	76	78	76	72
Civilians	10	11	11	11	11	8	9	9	11	12
Fire										
Firefighters	67	63	64	63	62	59	63	62	63	59
Civilians	1	1	1	2	2	2	1	1	1	1
Highways & Public Improvements	24	23	21	21	30	31	28	29	27	28
Parks & Recreation	44	41	42	43	35	37	35	38	35	35
Library	11	11	12	10	11	9	11	12	11	11
Community & Economic Development	16	14	14	14	7	7	6	6	7	7
Central Garage	5	4	3	4	4	4	4	4	4	4
Power	48	50	49	46	47	46	46	45	46	46
Water	22	23	24	21	21	18	17	17	17	17
Wastewater	9	9	9	9	8	7	8	8	7	8
Golf Course	6	6	6	6	6	6	6	7	7	7
Solid Waste	1	1	2	2	2	2	2	2	1	0
Storm Water	9	9	8	9	8	7	8	8	7	8
Total Full Time Equivalent Employees	415	405	406	403	394	383	388	390	383	378
Seasonal (Part Time) Employees	304	298	256	234	166	315	305	332	424	385
Total Employees	719	703	662	637	560	698	693	722	807	763

Source – Murray City Payroll System



SCHEDULE 19 – OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police										
Physical arrests	881	1,003	1,035	598	478	1,733	2,997	1,897	3,602	1,899
Traffic citations	3,444	2,901	2,800	2,411	1,951	5,383	9,378	7,438	5,242	5,615
Fire calls	1,262	1,228	1,119	1,245	1,203	1,282	1,458	1,381	1,354	1,260
Medical calls	5,643	5,859	5,801	4,955	4,856	4,934	5,339	5,125	4,842	4,313
Inspections ^{1,5}	3,275	1,317	979	883	1,799	1,633	1,249	1,553	1,399	1,149
Parks & recreation ¹										
Park center admissions	57,139	63,928	56,846	30,600	34,393	45,636	42,255	39,164	36,211	33,536
Outdoor pool admissions	32,602	23,763	25,502	20,260	29,333	31,364	N/A	N/A	N/A	N/A
Recreation participants	19,407	18,294	17,672	16,569	9,916	15,200	16,730	17,583	17,604	15,777
Heritage Center ¹										
Participants	1,703	1,651	1,386	616	1,375	1,627	1,525	1,478	1,734	1,947
Activity Participation	81,999	73,370	67,639	15,816	53,530	73,045	71,712	73,752	76,841	76,098
Library ¹										
Volumes in collection	92,399	84,938	86,929	81,005	61,899	91,001	69,477	71,133	75,914	78,759
Total volumes borrowed	354,258	341,179	309,945	203,248	332,472	461,920	475,394	499,292	548,060	611,149
Visitors	110,878	67,814	51,229	7,862	218,277	317,717	346,685	371,330	395,481	425,507
Water ⁴										
Customers Residential	8,973	8,953	8,893	9,031	9,064	8,929	8,912	8,858	8,761	8,716
Customers Commercial	1,248	1,284	1,400	1,436	1,551	1,527	1,516	1,493	1,389	1,372
Annual consumption (in millions of gallons) ²	3,335	3,224	2,497	3,001	3,976	3,206	2,834	2,827	2,758	2,583
Wastewater ³										
Customers Residential	8,403	8,482	8,422	8,563	8,600	8,520	8,450	8,419	8,376	8,334
Customers Commercial	1,005	1,029	1,032	1,081	1,203	1,196	1,187	1,171	1,163	1,150
Power										
Customers Residential	16,883	16,696	16,321	16,211	15,426	15,098	14,819	14,651	14,688	14,573
Customers Commercial	3,442	3,469	3,236	3,247	3,381	3,066	3,247	3,204	3,179	3,193
Peak demand (KW)	98,460	100,770	102,045	98,206	100,105	102,938	102,290	103,053	102,460	107,120
Internal generation (MWH)	33,885	17,867	17,761	8,651	13,531	14,691	9,845	11,457	13,846	17,913
Purchased power (MWH)	369,445	389,106	387,297	406,019	390,797	396,363	410,237	415,474	416,299	410,606

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.
- (5) The large increase in inspections in FY24 is due to the Fire Department implementing Life Inspection Vault (LIV) inspections.



SCHEDULE 20 – CAPITAL ASSETS BY FUNCTION
Last Ten Fiscal Years

Function/Program	Fiscal Year Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	46	44	42	43	43	43	43	44	43	42
Public works										
Streets(miles)	152	152	152	151	151	150	148	148	147	147
Streetlights	3,237	3,245	3,064	2,946	2,739	2,739	2,754	2,711	2,701	2,669
Streetlights - LED	224	205	135	131	76	76	-	-	-	-
Parks & recreation										
Acreage ¹	270	270	254	254	254	254	254	252	252	252
Parks ¹	14	14	12	12	12	12	11	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)	197	196	194	194	193	193	197	199	198	197
Wastewater ²										
Sanitary sewers(miles)	136	135	135	134	133	133	131	132	129	128
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, 2024



COMMITTED. EXPERIENCED. TRUSTED.

PARTNERS

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
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JANICE ANDERSON, EA
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**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, 2024, 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 15, 2024.

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.

HBMC, LLC

November 15, 2024
Bountiful, Utah



COMMITTED. EXPERIENCED. TRUSTED.

PARTNERS

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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, 2024.

State compliance requirements were tested for the year ended June 30, 2024 in the following areas:

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

Opinion on Compliance

In our opinion, Murray City Corporation complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2024.

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

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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 15, 2024
Bountiful, Utah