

Murray City, Utah



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING
JUNE 30, 2025



MURRAY.UTAH.GOV
MAYOR BRETT A. HALES

Annual Comprehensive Financial Report

For The Fiscal Year Ended June 30, 2025

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**

INTRODUCTORY SECTION



For the Fiscal Year Ended June 30, 2025



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October 21, 2025

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, 2025, 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 provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2025, 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 51,924. Once teeming with heavy industry, Murray's industry mix is now healthcare, retail, and professional, scientific, and technical services. The City is empowered to levy property taxes on both real and personal property located within its boundaries. It is also empowered by state statute to impose a 1.2% 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 a 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 staggered four-year terms.

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 2025 Economic Report to the Governor, the Utah economy continued a strong performance in Calendar 2024. Through three quarters of 2024 the Utah real GDP growth rate of 4.6% led the nation. Growth has slowed but still remains strong. The State unemployment rate remains in the range economists consider balanced between supply and demand at 3.1%. The City has experienced an increasing number of applications for some open positions. Some positions, particularly highly specialized and entry-level roles are remaining unfilled for extended periods of time.

Utah's population grew by over 50,000 to reach 3.5 million in 2024, according to estimates prepared by the Utah Population Committee. About 52% of this growth came from net in-migration as people moved to the state to take advantage of economic opportunity.

The State of Utah's 2025 Economic Report to the Governor projected continued economic growth in 2025 although not at the same pace as 2024. As of June, the state continues to grow, inflation remains ~3%, interest rates have eased slightly, and household spending is steady.

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 as consumer preferences shift.

The City is committed to redevelopment and revitalization efforts. As an example of this commitment, the City's Redevelopment Agency consolidated multiple properties over many years along State Street which were at the end of their economic life. The Redevelopment Agency has entered into a contract with Rockworth Companies to develop the area into new office, retail, restaurants and housing, which will be designed with the historic nature of Murray's downtown district in mind.

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 \$268 million; 11.6 times increase. More detailed information on the tax abatements can be found in the Notes to the financial statements, note 15.

Where feasible the City is committed to preserving historic structures. Renovations were completed at the Cahoon Mansion, Murray Theater and National Guard Armory. The Cahoon Mansion is now a museum focusing on Murray history. The Armory is an indoor event and reception space. The Murray Theater has been returned to its original elegance and will again be a place to watch movies and live entertainment.

Long-term Financial Planning

Murray City continues to use a capital improvement plan (CIP) for capital construction and maintenance projects and equipment replacement. The CIP requires City leaders to plan and review projected capital needs for the next five years. The City funds the CIP program for the General Government 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, 2024. This was the 44th 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 managing of Murray City's finances.

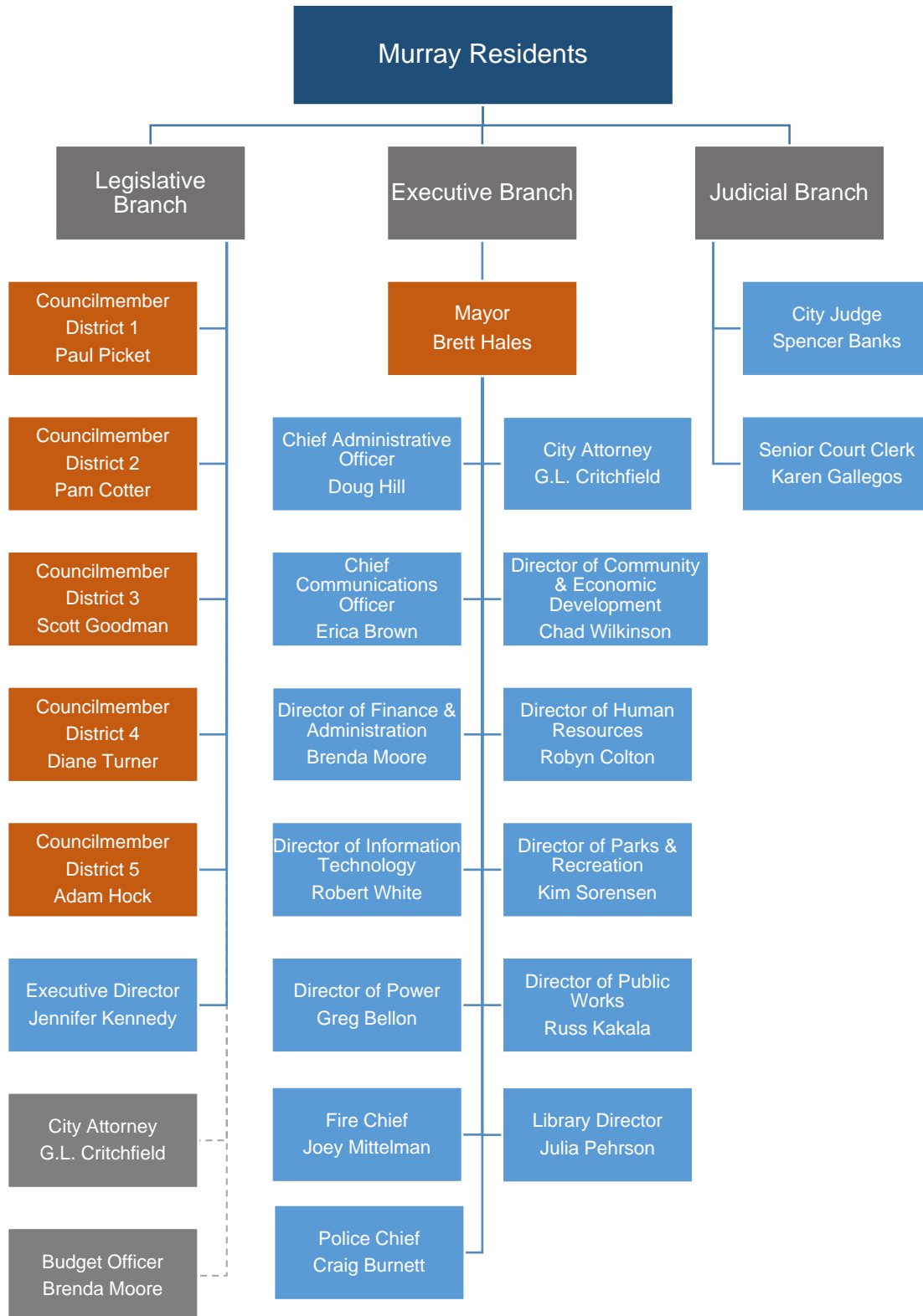
Respectfully submitted,



Brenda Moore, CPA
Finance & Administration Director



ORGANIZATIONAL CHART





ELECTED OFFICIALS AND ADMINISTRATION

Elected Officials

Mayor	Brett Hales
Councilmember – District 1	Paul Pickett
Councilmember – District 2	Pam Cotter
Councilmember – District 3	Scott Goodman
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
Chief Communications Officer	Erica Brown
Director of Community & Economic Development	Chad Wilkinson
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 Mittelman
Library Director	Julia Pehrson
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 Golf Course
- Outdoor Pool
- Parks
- Park Center
- Murray Theater
- Murray Arts & Museum

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**

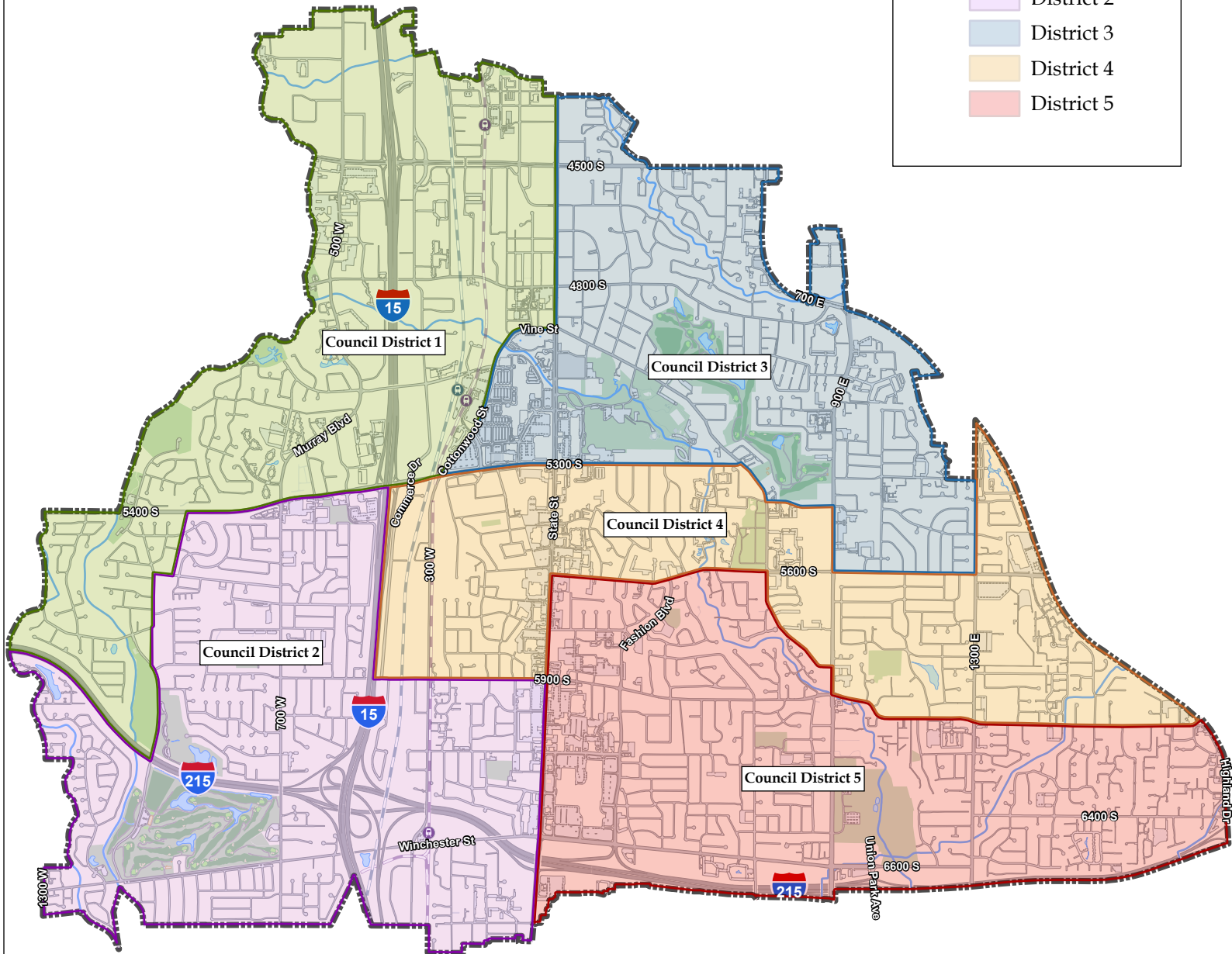
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Executive Director/CEO

Murray City Council Districts

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



0 0.5 1 Miles

MURRAY CITY COUNCIL DISTRICTS

MURRAY CITY MUNICIPAL CORPORATION
MURRAY CITY GIS DIVISION
© Copyright 2023, Murray City Map Division
<http://www.murraycity.gov/facilities>
while not guaranteed that been derived from sources deemed reliable.
11/15/2023, 10:00 AM



FINANCIAL SECTION



For the Fiscal Year Ended June 30, 2025



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, 2025, 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, 2025, 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.

Page 9

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 October 16, 2025 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

October 16, 2025
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, 2025. 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, while not without challenges, continues to perform at a high level. The City's sales tax revenues grew 2.2%, which was up from the .83% increase in the previous year. Taxable sales throughout the state of Utah were 3.7% higher than the previous year. The General Fund revenue increased \$3.2 million (5.4%) as follows: \$742,589 in property taxes, \$659,556 in sales taxes, \$497,376 in charges for services, \$497,376 in licenses and permits, and \$1.1 million in intergovernmental revenue. This, combined with conservative spending by all City departments, allowed the General Fund to transfer \$2.6 million dollars more than the original budget to the Capital Projects Fund for various projects.
- Interest rates dropped slightly during the year but stayed above 4% for the year. Across all funds, the City received \$5.9 million dollars of investment revenue. This is a decrease of approximately \$267,000 over the previous fiscal year, but still well ahead of the amount earned in FY2023.
- In May 2025, the Power Fund completed a private placement sale of \$19,090,000 par value 4.61% coupon revenue bonds. The bonds were sold to finance the rebuild of a substation, rebuild of natural gas turbines, purchase of 2 transformers and various other power system improvements.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of FY2025 by \$351,828,140 (net position). Of this amount, \$118,460,086 (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 \$13,020,579. Of this increase, \$7,695,325 (59.1%) is attributable to governmental activities and \$5,325,254 (40.9%) is attributable to business-type activities. The increase for governmental activities is a combination of several factors – the receipt of \$799,823 in donated infrastructure, an increase in park impact fee income of \$1.4 million, and various other fund revenues exceeding expenses by \$5.4 million. The increase for business-type activities was due to an increase in the Wastewater Fund of \$2.4 million and an increase in the Storm Water Fund of \$1 million as they save for future projects. All other business activities had fund balance increases totaling \$1.9 million. After net position decreases in FY2023 of (\$12 million) and FY2024 of (\$5.2 million), the Power Fund net position increased \$80,483. The City received \$1,167,108 of donated infrastructure, \$799,823 in governmental activities (10% of net position increase) and \$367,285 in business-type activities (7% of net position increase).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$16,181,468 or 25.9% of General Fund revenues. The General Fund's net change in fund balance was an increase of \$1,792,641. 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 Murray City Council has set the unassigned reserve goal for the city between 25% and 26%. The General Fund transferred \$2.6 million to the Capital Projects Fund to support designated infrastructure maintenance and improvements to keep reserves at 25.9%.
- The City's total non-current liabilities (excluding net pension liability and compensated absences) increased by \$16,316,794 or 19.95%. As previously noted, the Power Fund issued \$19,090,000 par value of bonds to fund system improvements. The difference of \$2,773,206 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, streets 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 blended component units, the Redevelopment Agency of Murray City (the RDA Fund) and the Municipal Building Authority of Murray City (the MBA Fund). 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, 2025, the City's combined governmental fund balance is \$91,385,107. Of this balance, \$114,547 (.13%) is nonspendable, \$26,674,524 (29.19%) is restricted, \$1,669,325 (1.83%) is committed, \$46,745,243 (51.15%) is assigned, and \$16,181,468 (17.70%) is unassigned. Fund balance decreased \$2,659,577 from the prior fiscal year. The MBA Fund increased \$96,720 due to funds transferred in for the Public Works project. The Library Fund balance increased by \$925,810 as they continue saving for a new building. The General Fund balance increased by \$1,792,641 due to revenue increases. The Redevelopment Agency Fund balance increased by \$423,027. The Capital Projects Fund decreased \$5,993,678 due to two large street projects and three historical renovations occurring during the year.

Additional details regarding governmental fund balances can be found in Note 1 on page 54 and Note 18 on page 93 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 fund. All other governmental funds are considered major.

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

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

B. Proprietary Funds

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

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

Internal service funds are used to report the activities that provide goods or services to other funds on a cost-reimbursement basis. The City uses internal service funds to account for the maintenance of its vehicles and equipment in a central garage, as well as the management of its self-insurance program. Since both these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Individual fund information is provided in the form of combining statements in the supplementary information section of this report on pages 105-108 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 (see pages 39-45). 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 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.



GOVERNMENT-WIDE FINANCIAL ANALYSIS

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.

The following table summarizes the City's net position:

	Governmental Activities		Business-type Activities		Total	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
Current and other assets	\$118,041,212	\$120,460,828	\$80,151,248	\$54,383,321	\$198,192,460	\$174,844,149
Pension asset	1,499,009	2,065,465	-	-	1,499,009	2,065,465
Capital assets	200,157,295	190,577,774	85,717,956	85,525,168	285,875,251	276,102,942
Total assets	319,697,516	313,104,067	165,869,204	139,908,489	485,566,720	453,012,556
Total deferred outflows of resources	9,193,651	9,253,174	2,688,563	2,697,026	11,882,214	11,950,200
Long-term liabilities	65,869,167	67,413,158	30,767,993	12,356,461	96,637,160	79,769,619
Net pension liability	6,792,180	5,867,711	2,016,454	1,550,654	8,808,634	7,418,365
Other liabilities	10,193,279	10,659,233	11,548,894	9,789,271	21,742,173	20,448,504
Total liabilities	82,854,626	83,940,102	44,333,341	23,696,386	127,187,967	107,636,488
Total deferred inflows of resources	18,424,556	18,500,479	8,271	18,228	18,432,827	18,518,707
Net position:						
Net investment in capital assets	151,689,026	140,809,943	73,280,371	72,492,623	224,969,397	213,302,566
Restricted	8,062,052	10,263,911	336,605	287,410	8,398,657	10,551,321
Unrestricted	67,860,907	68,842,806	50,599,179	46,110,868	118,460,086	114,953,674
Total net position	\$227,611,985	\$219,916,660	\$124,216,155	\$118,890,901	\$351,828,140	\$338,807,561

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 \$351,828,140 as of June 30, 2025. This is an increase of \$13,020,579 from the previous fiscal year.

As of June 30, 2025, 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 (63.9%) 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 decrease in restricted net position is the result of using all previously restricted park impact fees to remodel the Murray Armory in the CIP Fund along with an increase in the restriction of Class C road funds in the General Fund being offset by pension and low-income housing decreases.
- *Unrestricted Net Position* - As mentioned in the financial highlights, the City's governmental activities increased their unrestricted net position due to revenues in excess of expenses in the General Fund, RDA Fund, Library Fund, MBA Fund and Cemetery Fund. The business-type activities of the City had an increase in unrestricted net position. The Capital Project Fund had an expected decrease in fund balance due to multiple projects being completed or in process. All business-type activities had revenues in excess of expenses. The Water, 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 fourth 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:

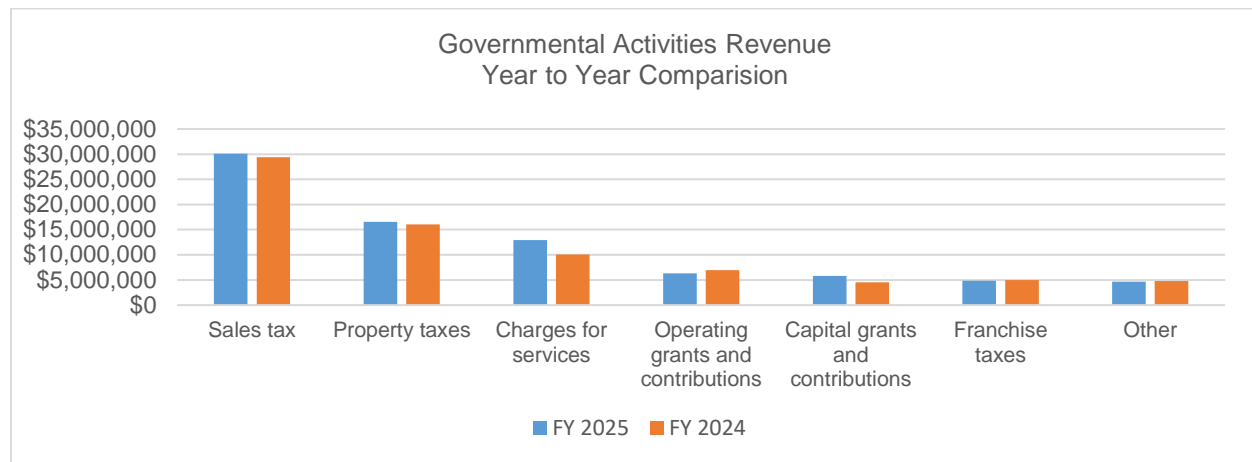
	Governmental Activities		Business-type Activities		Total	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
Revenues						
Program revenues						
Charges for services	\$ 12,908,136	\$ 10,069,708	\$ 72,106,263	\$ 64,384,949	\$ 85,014,399	\$ 74,454,657
Operating grants and contributions	6,341,797	6,933,674	-	-	6,341,797	6,933,674
Capital grants and contributions	5,818,967	4,529,183	1,779,315	1,766,547	7,598,282	6,295,730
General revenues						
Sales tax	30,072,426	29,412,870	-	-	30,072,426	29,412,870
Property taxes	16,522,590	16,054,240	-	-	16,522,590	16,054,240
Franchise taxes	4,823,084	4,986,775	-	-	4,823,084	4,986,775
Investment income	4,412,011	4,408,437	1,524,657	1,795,941	5,936,668	6,204,378
Equity Investment income	-	-	819,323	1,229,653	819,323	1,229,653
Gain on disposal of assets	-	63,467	92,784	78,542	92,784	142,009
Miscellaneous	234,289	310,430	-	-	234,289	310,430
Total revenues	81,133,300	76,768,784	76,322,342	69,255,632	157,455,642	146,024,416
Expenses						
General government	14,235,401	12,609,440	-	-	14,235,401	12,609,440
Public safety	33,854,101	29,412,151	-	-	33,854,101	29,412,151
Streets & public improvements	14,108,446	11,469,357	-	-	14,108,446	11,469,357
Parks, recreation, and culture	13,714,904	12,919,517	-	-	13,714,904	12,919,517
Debt service - interest	2,175,188	1,925,006	-	-	2,175,188	1,925,006
Water	-	-	7,812,014	7,139,504	7,812,014	7,139,504
Wastewater	-	-	7,585,255	6,733,465	7,585,255	6,733,465
Power	-	-	43,965,536	44,261,833	43,965,536	44,261,833
Murray Parkway	-	-	1,869,771	1,743,932	1,869,771	1,743,932
Telecommunications	-	-	38,979	42,760	38,979	42,760
Solid waste	-	-	2,486,855	2,384,909	2,486,855	2,384,909
Storm water	-	-	2,588,613	2,231,059	2,588,613	2,231,059
Total expenses	78,088,040	68,335,471	66,347,023	64,537,462	144,435,063	132,872,933
Increase (decrease) in net position before transfers	3,045,260	8,433,313	9,975,319	4,718,170	13,020,579	13,151,483
Transfers - net	4,650,065	4,001,364	(4,650,065)	(4,001,364)	-	-
Increase (decrease) in net position	7,695,325	12,434,677	5,325,254	716,806	13,020,579	13,151,483
Net position at beginning of year	219,916,660	207,481,983	118,890,901	118,174,095	338,807,561	325,656,078
Net position at end of year	\$227,611,985	\$219,916,660	\$124,216,155	\$118,890,901	\$351,828,140	\$338,807,561



GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Governmental Activities – Governmental activities increased the City's net position by \$7,695,325, which is \$4.7 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 \$4.4 million from the prior year. Capital grants and contributions increased \$1.3 million due to park impact fees collections, property taxes increased \$.47 million due to a levy increase and growth, sales tax increased \$.66 million due to inflation and population growth, and charges for services increased \$2.8 million due to increases in wildland fire reimbursements, licenses & permit fees, and fines and forfeiture increases. Franchise tax, operating grants and miscellaneous revenue all decreased due to normal fluctuations.



- Expenses for governmental activities increased by \$9.7 million. Personnel costs increased 8% from the previous year, due to seven new employees, five of which were in public safety, along with increased wages. The cost of operations increased due to inflation along with increased capital maintenance projects being done in the Capital Project Fund.

Business-type Activities – Business-type activities increased the City's net position by \$5,325,254. Key elements affecting this change in business-type net position are as follows:

- The Power Fund following two years of net position decreases increased their net position by \$80,483. Following the 2nd of three scheduled rate increases the operating revenue increased \$5.6 million. As part of the Power rate structure a Power Cost Adjustment (PCA) was created. The PCA generated \$1.2 million in revenue which offset most of the \$1.4 million increase in the cost of purchased power. The operating & maintenance expenses decreased (\$2.5 million) compared to the prior year, mostly due to the purchase of equipment for the AMI meter project in the prior year. Personnel costs increased \$713,583 (10%) due to a city wide 3% COLA, two position upgrades, and a GASB 68 expense increase of \$537,603.
- Total business-type activities operating revenue increased from the prior year, which included increases in all funds, except Telecom. The increases were due to increased rates. The Power and Water Funds also benefited from a hot July - August of 2024, and hot May - June in 2025.



GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Business-type Activities (Continued)

- Total business-type activities expenses increased by approximately \$1.8 million from the prior year. Personnel costs increased \$1,262,172. A cost-of-living adjustment of 3%, step plan adjustments, and increased health insurance costs combined with a GASB 68 pension adjustment of \$876,703 account for the increase. As discussed above, power operations and maintenance decreased (\$2.5) million while operations and maintenance in all other funds increased \$1.3 million due to normal operating and system maintenance 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 \$5,234,936. Other financing sources and uses include transfers from Water, Wastewater, and Power Enterprise Funds of \$4.7 million and the RDA Fund of \$11,265. Transfers totaling \$7.8 million to the Capital Projects Fund were completed during the fiscal year. These transfers were made up of \$5.4 million of local option sales tax, \$2 million of sales tax dedicated to transportation projects, \$.4 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.

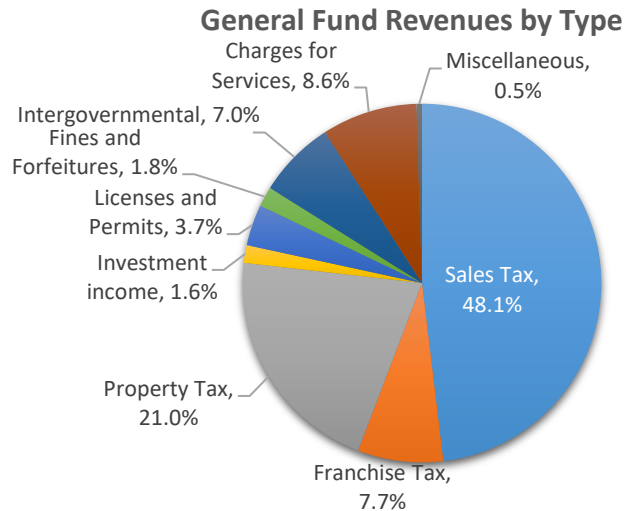
Taxes continue to be the largest source of revenue in the General Fund and represent 76.8% of total General Fund revenues. The largest component of tax revenue is sales tax, which represents 62.6% of total tax revenues and 48.1% of total General Fund revenues. This compares with 49.5% of total General Fund revenues in the prior fiscal year. Sales tax collections increased 2.2% over the previous fiscal year. There was a 5% property tax increase which combined with 2% property tax base growth increased General Fund property tax collections by \$742,589.



FUND ANALYSIS (continued)

A. Governmental Funds (Continued)

General Fund (continued)



Intergovernmental revenue increased due to wildland fire deployment reimbursements of \$1 million compared to the previous year of \$184,680.

General Fund expenditures increased \$3,578,371 during FY2025 to \$57,330,236 from \$53,751,865 in 2024. Personnel costs increased \$2,993,165 (6%) due to a city wide 3% COLA adjustment, step plan salary increases, and health insurance increases. The City also added a police officer, three firefighter paramedics, a fire inspector, and a marketing specialist. The City also incurred firefighter overtime and benefits \$709,897 which was reimbursed for wildland deployments. Other cost increases of \$585,206 were spread among all departments and were due to increased costs for software, computer equipment, vehicle maintenance and inflation.

Capital Projects Fund

The Capital Projects Fund had a fund balance at the end of the year in the amount of \$32,026,270, which is \$5,993,678 lower than the fund balance of the previous year. The Capital Projects Fund received transfers totaling \$8 million dollars from the General Fund, \$2 million of which is dedicated to transportation related projects, with the remaining \$6 million intended to support future infrastructure, capital asset acquisitions, and maintenance costs. The fund received investment earnings of \$1.5 million and impact fees of \$2.7 million. The impact fees were used to remodel the Murray Armory to an indoor event facility.

Expenditures increased from \$15.2 million in FY2024 to \$19.9 million in FY2025. The City spent \$4.4 million on road maintenance and reconstruction, \$9.9 million to renovate the Murray Theater, Murray Armory and the Murray Mansion, and \$1.1 million for police and fire vehicles and equipment. The City continues to allocate Capital Project funds among all departments, thus ensuring city facilities and equipment will be maintained and serve the citizens for years to come.



FUND ANALYSIS (continued)

A. Governmental Funds (Continued)

Municipal Building Authority Fund

The Municipal Building Authority of Murray City (MBA) spent \$1.4 million on the planning, design and start of construction of the Public Works project. This year the MBA spent \$270,660 on additions and minor modifications to City Hall.

Redevelopment Agency Fund

During FY2025, property tax increment collections from redevelopment areas decreased 31% or \$1,403,626 to a total of \$3,084,108 from \$4,487,734 in FY2024. \$1.3 million of the decrease is due to the Smelter Site and Cherry Street redevelopment areas reaching the end of their collection period. The remaining \$.1 million decrease is due to normal fluctuations in tax assessment and collection. The RDA Fund balance increased \$423,027 to a total of \$9,151,632. In the Central Business district, the RDA sold a historic piece of property for a future restaurant with restrictions in place to keep the historical character of the building. Tax increment of \$3 million is restricted fund balance set aside for moderate income housing.

Expenditures, including transfers out, in the RDA Fund decreased from \$5,367,767 in FY2024 to \$3,585,251 in FY2025 (33%). The Fireclay redevelopment area used low-income housing funds to grant a low-income senior living apartment development a \$400,000 grant. \$400,000 was also given to NeighborWorks to provide down payment and home maintenance assistance to low- and moderate-income families.

Library Fund

The Library Fund balance increased by \$925,810; down from an increase of \$985,241 in FY2024, to a total of \$7,297,888. Real property tax increase revenue increased by \$49,491 due to City growth but was partially offset by a decrease in personal property tax collections. Investment income increased of \$13,032 over FY2024, Expenditures were up \$98,854 due to increases in personnel costs which included a 3% COLA increase for all employees along with increased insurance and benefit costs.

Cemetery Fund

The Cemetery Fund did not have expenditures in FY2025. The committed fund balance increased \$95,903 due to investment earnings, and selling of niches for ashes, to a total of \$1,669,325. 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.

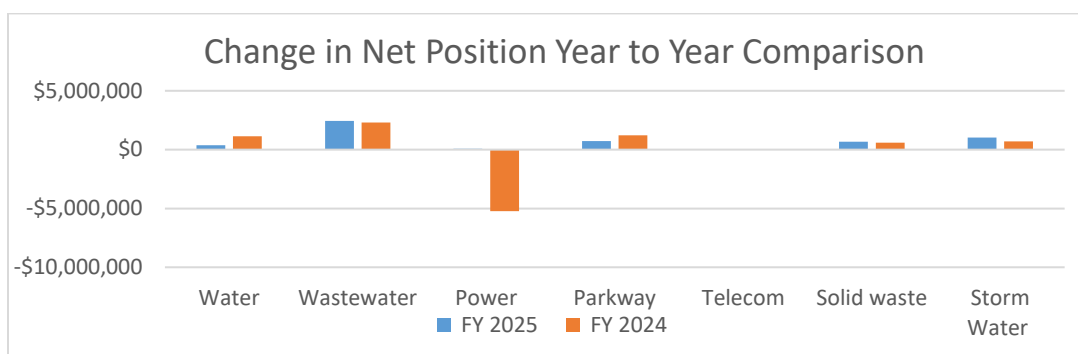
- The Water Fund's restricted and unrestricted net position increased this fiscal year by \$201,092 to a total of \$3,912,851, which is approximately 47% of current annual operating revenues. Operating revenue increased \$1.1 million or 15.5%. This is from a 17% rate increase effective April 1, 2025, and weather conditions. Wages increased by 11% due to a 3% COLA and a GASB 68 pension adjustment. Operation and maintenance expenses increased by 14% this year due to inflation and the purchase of \$478,813 AMI communication devices along with polymer lids which allow for daily usage data collection.



FUND ANALYSIS (continued)

B. Proprietary Funds (continued)

- The Wastewater Fund's unrestricted net position increased by \$2,769,492 this fiscal year to a total of \$20,469,004. The unrestricted net position includes \$14,385,307 in an investment in the Central Valley Water Reclamation Facility (CVWRF). The remaining \$6,083,697 is 69% of the fund's current annual operating revenues. The operating revenue increased by 5.6% in FY2025 due to a 3% rate increase in April 2024 and a 3% increase in April of 2025. 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 FY2025 were \$4,740,046 up from \$4,450,595 in FY2024 and account for 63% of the wastewater operating expenses.
- The Power Fund's restricted and unrestricted net position decreased by (\$779,492) this fiscal year to a total of \$14,849,578, approximately 32% of current annual operating revenues. The Power Fund's operating revenue increased 13.81%. In August 2024, the Power Fund raised rates by 7% to 14% depending on rate class as the second of three annual increases. Operations and maintenance expenses without purchased power decreased by 33.35%. The operation and maintenance expense decrease is due to \$3.8 million of AMI metering equipment being purchased the prior year. Purchased power increased by \$1.4 million dollars (5.48%) over the previous year due to increased demand from hot weather and price fluctuations.
- The Storm Water Fund's revenues increased 9.35% due to an 8.5% rate increase. The rate increase was the fifth of five which occurred annually on July 1. The restricted and unrestricted net position increased 46.7% or \$1 million. The increase was due to saving for a future large infrastructure project. The total of the Storm Water Fund's restricted and unrestricted net position is \$3,145,813.
- The Parkway Fund (golf course) received a transfer from the Capital Projects Fund of \$230,500, which provided funds for equipment and other upgrades to the facilities. Operating revenue increased \$138,647 over the previous year due to a fee increase. The Parkway Fund's unrestricted net position is \$2,205,575.
- The Solid Waste Fund's unrestricted net position increased by \$472,703 to a total of \$5,929,478. The unrestricted net position includes a \$3,660,541 investment in Trans-Jordan Cities which operates a landfill. The remaining \$2,268,937 is 88% of annual revenue. The Trans-Jordan landfill is reaching capacity, so fund reserves are being increased in anticipation of increased transfer costs to the new Bayview landfill.





GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, General Fund budgeted expenditures were amended from an original budget total of \$64,258,772 to a final budget total of \$70,796,634 (10.2% 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
 - \$3,294,994 additional transfer to the Capital Projects Fund.
 - \$107,450 to implement a form-based code (moved forward from previous year).
 - \$6,768 for software services to identify short term rentals.
 - \$10,000 for water planning grant.
 - \$68,047 for personnel and open enrollment insurance changes.
- B. Public safety
 - \$286,480 for grant and asset forfeiture funded programs and services.
 - \$862,928 for Fire wages, overtime, and benefits for wildland deployments.
 - \$64,692 for SLCO Animal Services.
- C. Streets and public improvements
 - \$1,506,672 for Class C Road projects.
 - \$133,262 for debt service for Public Works remodel.
 - \$8,292 for open enrollment insurance changes.
- D. Parks, recreation, and culture
 - \$183,400 for grants & donations in support of parks, arts, history, and recreation programs.
 - (\$25,123) for personnel and open enrollment insurance changes.
 - \$30,000 for the BRT art project.

General Fund budgeted revenues were amended from \$62,261,205 to \$63,617,889 (2.2% difference). Revenue budget adjustments made during the year can be summarized as follows:

- E. Investment revenue
 - \$65,068 to revise the budget for increased revenue.
- F. Intergovernmental revenue
 - \$236,601 was budgeted for additional grants received during the year.
 - \$1,000,326 was budgeted for reimbursements for wildfire deployments.
- G. Donations/Other
 - \$18,000 was budgeted for donations received.
 - \$36,689 was budgeted for forfeited assets

During the year, actual revenues were greater than budgeted revenues by \$3.7 million. Due to economic uncertainty the sales tax budget was set to the FY2023 receipts less 1%. During FY2025, the City had a 2.2% increase in sales tax collections from FY2024, resulting in a \$1.5 million variance from budget. Licenses and permits revenue was above budget \$565,682 as building continues despite higher interest rates. Charges for services was above budget \$739,988 due to increased recreation and arts attendance along with increased ambulance revenue. Actual expenditures were less than budgeted expenditures by \$5,270,510. The savings by function were general government (14.58%), public safety (17.05%), streets & public improvements (47.18%), and parks and recreation (21.19%). 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, 2025, totaled \$285,875,251. 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 \$9,772,309 (3.54%).

	Governmental Activities		Business-type Activities		Total	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
Land	\$ 26,164,416	\$ 26,613,220	\$ 7,212,102	\$ 6,974,069	\$ 33,376,518	\$ 33,587,289
Road Land - right of ways	48,985,080	48,561,623	-	-	48,985,080	48,561,623
Construction in progress	16,700,510	13,874,608	4,235,800	1,404,325	20,936,310	15,278,933
Buildings	87,962,743	77,897,230	6,356,416	6,233,556	94,319,159	84,130,786
Infrastructure	111,446,876	110,492,718	204,199,532	203,093,533	315,646,408	313,586,251
Equipment	27,748,643	25,280,142	26,733,751	27,078,861	54,482,394	52,359,003
Intangibles & right-to-use lease & subscrip assets	217,389	217,389	4,192,602	4,192,602	4,409,991	4,409,991
Accum depreciation & amort.	(119,068,362)	(112,359,156)	(167,212,247)	(163,451,778)	(286,280,609)	(275,810,934)
Total Capital Assets	<u>\$200,157,295</u>	<u>\$190,577,774</u>	<u>\$ 85,717,956</u>	<u>\$ 85,525,168</u>	<u>\$285,875,251</u>	<u>\$276,102,942</u>

During the year, the City spent \$21,475,761 on assets and received \$1,167,108 in donated assets from developers.

Major capital asset events during FY2025 include:

- Construction in process increased \$5.7 million. The increase is due to work on the Public Works facility and the Murray Theater.
- The Murray Armory (\$5.7 million), Murray Museum (\$2.9 million) and a Parks storage building (\$1.3 million) were completed and placed in service during the year.
- Some of the equipment purchased were four police motorcycles and four police vehicles for \$229,993, six other trucks & vehicles for \$289,643, HP latex 365 printer for the sign shop, mowers and groundskeeping equipment for \$275,489, excavators, loaders and trailers for \$459,094.
- The acceptance of \$1,167,108 in developer-contributed assets, including \$799,823 in donated roads, land under the roads and sidewalks, \$139,636 in donated water lines, \$129,840 in donated sewer lines, and \$97,809 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, 2025, the City had total long-term bonded, lease, and subscription outstanding debt of \$98,099,383. Bond secured solely by specific revenue sources represent \$97,758,768 of this amount, the remaining being lease payable of \$14,010 and subscriptions payable of \$326,605. The City has no general obligation bonds outstanding.

	Governmental Activities		Business-type Activities		Total	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
Bonds & Lease Payable	\$ 66,852,630	\$ 69,131,748	\$ 31,246,753	\$ 12,650,841	\$ 98,099,383	\$ 81,782,589



LONG TERM DEBT (continued)

The City's total bonded and lease debt outstanding increased by \$16,316,794 during the fiscal year (19.95%). This increase is due to the issuance of \$19,090,000 par value of Power revenue bonds and the normally scheduled debt principal payments and premium amortizations of \$2,773,206.

The most recent credit ratings issued for Murray are AAA from Fitch Ratings for the 2016 Sales tax bond, AA- from S&P Global ratings for the Stormwater 2013 and 2016 bonds, Aa1 from Moody's for the City and Aa2 for the lease revenue bonds.

Additional information on the City's long term-debt can be found in Notes 11 and 12 on pages 70-77 of this report.

ECONOMIC FACTORS

- According to the Utah Department of Workforce Services, the unemployment rate in Salt Lake County as of June 2025 was 3.4% as compared to 3.2% of the previous year. The national unemployment rate stayed steady at 4.1%. Unemployment at this level is sustainable and points to a healthy labor market. The number of jobs available in Salt Lake County region grew 9,332 from June 2024 to June 2025. Participation in the labor market as of December 2024 is the among the highest in the country at 69% down a half percentage point from December 2023. The slight increase in the unemployment rate and higher labor participation rate has resulted in more applicants for open positions. It is still difficult to fill open technical positions. 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 June 2025 the consumer price index (CPI) in the western region was up 2.7% from a year ago, while the CPI for the nation also rose 2.7% for that same period. The current inflation, when combined inflation for the previous year 4 years, is putting some stress on City services due to increased costs especially for infrastructure and personnel.
- Statewide sales tax revenue increased by 3.7%, compared to 2.2% in the previous year. The 3.7% increase is the second lowest increase since 2014. Sales tax receipts are trending with inflation and population increases.

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 FY2026 General Fund budgeted revenues were increased \$2.4 million (4%) and budgeted expenditures without Class C road expenses increased \$1.1 million (2%).
- \$213,543 of the revenue increase is the result of growth in taxable base by 1%. No tax levy increase was adopted. Historically, the City has budgeted the next year's sales tax revenue within 1% of the prior year's actual collections. Due to the economic uncertainty the FY2026 budget was calculated at 1% less than the FY2024 actual collections. This resulted in a budget increase of 1% for sales tax collections. This method was designed to reduce the City's exposure to negative economic changes. Effective July 1, 2025, Salt Lake County imposed a .2% sales tax for county transit and transportation projects. The cities within the county will receive a fifth of this tax increase. The transportation sales tax budget was increased \$1,074,000. The amount received will be transferred to the CIP Fund and restricted for use on streets projects.



NEXT YEAR'S BUDGETS AND RATES (continued)

- 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.
 - Following the completion of a new master plan and rate study the Water Fund adopted a new 5-year rate increase schedule. The increases will be effective April 1 of each year, and are currently scheduled for 17%, 17%, 9%, 5% and 2% per year until changed.
 - The storm water utility 5-year rate increase schedule started July 1, 2020, with a \$1.00 per ERU (21.5%) increase and increased \$.65 per ERU yearly until FY2025. A masterplan and rate study are in process, and it is anticipated that a new rate schedule will be in place by July 1, 2026.
 - The wastewater utility modified the existing five-year rate increase schedule which was started on April 1 of 2022. Effective April 1, 2025, the Central Valley fee which was scheduled to decrease was increased back to \$12 per month. The base rate increase for FY2025 was 5%. The flow rate increased 6% on April 1 and will increase 3% per year until otherwise adjusted. The increases are 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%. The last scheduled increase is on August 1, 2025. A power cost adjustment (PCA) was also implemented which allows additional charges or credits if the cost of power varies from preset level. The PCA generated \$1,220,773 of additional revenue to cover costs of purchasing power. A master plan and new rate study are in process.

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



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BASIC FINANCIAL STATEMENTS



For the Fiscal Year Ended June 30, 2025

Government-Wide Financial Statements



STATEMENT OF NET POSITION

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 33,832,568	\$ 15,958,369	\$ 49,790,937
Investments	9,347,866	2,157,240	11,505,106
Accounts receivable (net of allowance)	19,196,236	9,319,177	28,515,413
Notes receivable	-	14,797	14,797
Due from other governments	6,865,709	983,693	7,849,402
Inventories	107,577	4,729,199	4,836,776
Prepays	94,854	2,402	97,256
Total current assets	69,444,810	33,164,877	102,609,687
Noncurrent assets			
Restricted cash	20,504,162	22,566,450	43,070,612
Investments	27,356,758	6,313,215	33,669,973
Notes receivable	-	60,858	60,858
Investments in joint ventures	-	18,045,848	18,045,848
Other assets	25,000	-	25,000
Assets held for sale	710,482	-	710,482
Net pension asset	1,499,009	-	1,499,009
Capital assets			
Land	26,164,416	7,212,102	33,376,518
Road land - right of ways	48,985,080	-	48,985,080
Construction in progress	16,700,510	4,235,800	20,936,310
Buildings	87,962,743	6,356,416	94,319,159
Infrastructure	111,446,876	204,199,532	315,646,408
Equipment	27,748,643	26,733,751	54,482,394
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	(119,068,362)	(167,212,247)	(286,280,609)
Total noncurrent assets	250,252,706	132,704,327	382,957,033
Total assets	319,697,516	165,869,204	485,566,720
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	9,193,651	2,688,563	11,882,214
Total deferred outflows of resources	9,193,651	2,688,563	11,882,214
LIABILITIES			
Current liabilities			
Accounts payable	3,324,719	5,208,534	8,533,253
Accrued liabilities	1,484,564	833,733	2,318,297
Accrued interest payable	221,911	227,699	449,610
Customer deposits	369,442	3,201,909	3,571,351
Compensated absences	2,437,496	985,910	3,423,406
Notes payable	-	14,797	14,797
Bonds, leases, and subscriptions payable	2,355,147	1,076,312	3,431,459
Total current liabilities	10,193,279	11,548,894	21,742,173
Noncurrent liabilities			
Compensated absences	1,371,684	536,694	1,908,378
Net pension liability	6,792,180	2,016,454	8,808,634
Notes payable	-	60,858	60,858
Bonds, leases, and subscriptions payable	64,497,483	30,170,441	94,667,924
Total noncurrent liabilities	72,661,347	32,784,447	105,445,794
Total liabilities	82,854,626	44,333,341	127,187,967
DEFERRED INFLOWS OF RESOURCES			
Pension related	94,186	8,271	102,457
Deferred property taxes	18,330,370	-	18,330,370
Total deferred Inflows of resources	18,424,556	8,271	18,432,827
NET POSITION			
Net investment in capital assets	151,689,026	73,280,371	224,969,397
Restricted			
Capital	3,433,931	107,137	3,541,068
Retirement	1,499,009	-	1,499,009
Low-income housing	2,972,037	-	2,972,037
Debt service	3,121	229,468	232,589
Alcohol tax	153,954	-	153,954
Unrestricted	67,860,907	50,599,179	118,460,086
Total net position	\$ 227,611,985	\$ 124,216,155	\$ 351,828,140

The accompanying notes are an integral part of this statement.



STATEMENT OF ACTIVITIES

	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Primary government:							
Governmental activities							
General government	\$ 14,235,401	\$ 6,863,439	\$ 2,440,365	\$ -	\$ (4,931,597)		\$ (4,931,597)
Public safety	33,854,101	3,849,364	637,977	-	(29,366,760)		(29,366,760)
Streets and public improvements	14,108,446	-	2,965,100	1,099,823	(10,043,523)		(10,043,523)
Parks, recreation, and culture	13,714,904	2,195,333	298,355	4,719,144	(6,502,072)		(6,502,072)
Debt service - interest	2,175,188	-	-	-	(2,175,188)		(2,175,188)
Total governmental activities	78,088,040	12,908,136	6,341,797	5,818,967	(53,019,140)		(53,019,140)
Business-type activities							
Water	7,812,014	8,411,992	-	525,637		\$ 1,125,615	1,125,615
Wastewater	7,585,255	8,856,609	-	944,193		2,215,547	2,215,547
Power	43,965,536	46,471,713	-	207,650		2,713,827	2,713,827
Murray Parkway	1,869,771	2,234,762	-	-		364,991	364,991
Telecom	38,979	35,864	-	-		(3,115)	(3,115)
Solid Waste	2,486,855	2,571,458	-	-		84,603	84,603
Storm Water	2,588,613	3,523,865	-	101,835		1,037,087	1,037,087
Total business-type activities	66,347,023	72,106,263	-	1,779,315		7,538,555	7,538,555
Total primary government	\$ 144,435,063	\$ 85,014,399	\$ 6,341,797	\$ 7,598,282	(53,019,140)	7,538,555	(45,480,585)
General revenues and transfers:							
General Revenues:							
Taxes							
Sales							
Property							
Franchise							
Investment income							
Equity investment income							
Gain on sale and disposal of assets							
Miscellaneous							
Transfers - net							
Total general revenue and transfers							
Change in net position							
Net position, beginning of year							
Net position, end of year							

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	\$ 6,997,939	\$ 19,262,351	\$ 1,716,034	\$ 2,333,308
Investments	8,397,724	14,132,899	6,729,106	4,958,310
Accounts receivable (net of allowance)				
Property taxes	12,615,906	-	3,234,429	2,634,626
Other	684,675	2,985	-	-
Due from other governments	6,865,709	-	-	-
Prepaid items	69,065	-	-	25,364
Restricted cash	368,597	-	1,070	20,118
Assets held for sale	-	-	710,482	-
Total assets	<u>\$ 35,999,615</u>	<u>\$ 33,398,235</u>	<u>\$ 12,391,121</u>	<u>\$ 9,971,726</u>
LIABILITIES				
Accounts payable	\$ 1,396,033	\$ 1,371,965	\$ 4,060	\$ 36,000
Accrued liabilities	1,082,125	-	-	29,872
Deposits	368,442	-	1,000	-
Total liabilities	<u>2,846,600</u>	<u>1,371,965</u>	<u>5,060</u>	<u>65,872</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable ambulance billing	339,449	-	-	-
Unavailable property taxes	12,487,975	-	3,234,429	2,607,966
Total deferred Inflows of resources	<u>12,827,424</u>	<u>-</u>	<u>3,234,429</u>	<u>2,607,966</u>
FUND BALANCE				
Nonspendable	69,065	-	-	45,482
Restricted	4,075,058	-	2,972,107	-
Committed	-	-	-	-
Assigned	-	32,026,270	6,179,525	7,252,406
Unassigned	16,181,468	-	-	-
Total fund balances	<u>20,325,591</u>	<u>32,026,270</u>	<u>9,151,632</u>	<u>7,297,888</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 35,999,615</u>	<u>\$ 33,398,235</u>	<u>\$ 12,391,121</u>	<u>\$ 9,971,726</u>

The accompanying notes are an integral part of this statement.



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

	Municipal Building Authority	(Nonmajor) Cemetery Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,264,460	\$ 79,464	\$ 31,653,556
Investments	-	1,589,861	35,807,900
Accounts receivable (net of allowance)			
Property taxes	-	-	18,484,961
Other	23,615	-	711,275
Due from other governments	-	-	6,865,709
Prepaid items	-	-	94,429
Restricted cash	20,114,377	-	20,504,162
Assets held for sale	-	-	710,482
Total assets	<u>\$ 21,402,452</u>	<u>\$ 1,669,325</u>	<u>\$ 114,832,474</u>
LIABILITIES			
Accounts payable	\$ 488,051	\$ -	\$ 3,296,109
Accrued liabilities	-	-	1,111,997
Deposits	-	-	369,442
Total liabilities	<u>488,051</u>	<u>-</u>	<u>4,777,548</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable ambulance billing	-	-	339,449
Unavailable property taxes	-	-	18,330,370
Total deferred Inflows of resources	<u>-</u>	<u>-</u>	<u>18,669,819</u>
FUND BALANCE			
Nonspendable	-	-	114,547
Restricted	19,627,359	-	26,674,524
Committed	-	1,669,325	1,669,325
Assigned	1,287,042	-	46,745,243
Unassigned	-	-	16,181,468
Total fund balances	<u>20,914,401</u>	<u>1,669,325</u>	<u>91,385,107</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,402,452</u>	<u>\$ 1,669,325</u>	<u>\$ 114,832,474</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	\$ 91,385,107
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	199,990,155
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.	167,140
The net pension asset is not an available resource and, therefore, is not reported in the funds.	1,499,009
Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not recorded in the funds.	(221,911)
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.	(77,237,567)
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.	8,920,309
Deferred inflows of resources associated with the General Fund's ambulance billings are removed in the Statement of Net Position.	339,449
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.	2,770,294
Net position of governmental activities	<u>\$ 227,611,985</u>

The accompanying notes are an integral part of this statement.



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

(Page 1 of 2)

	General Fund	Capital Projects Fund	Redevelopment Agency Fund	Library Fund
<u>REVENUES</u>				
Sales taxes	\$ 30,072,426	\$ -	\$ -	\$ -
Property taxes	13,142,698	-	656,808	2,723,084
Franchise taxes	4,823,084	-	-	-
Licenses and permits	2,338,682	-	-	-
Impact fees	-	2,670,764	-	-
Intergovernmental	4,389,967	2,348,380	2,427,300	14,891
Charges for services	5,370,306	-	-	-
Fines and forfeitures	1,144,104	-	-	20,267
Miscellaneous	266,666	24,455	18,521	10,147
Investment income	1,017,239	1,543,463	464,588	371,587
Total revenues	62,565,172	6,587,062	3,567,217	3,139,976
<u>EXPENDITURES</u>				
Current:				
General government	10,045,670	220,717	-	-
Public safety	30,091,087	618,353	-	-
Streets and public improvements	4,870,579	3,616,254	2,655,914	-
Parks, recreation, and culture	9,821,718	346,781	-	2,203,112
Capital outlay	-	15,081,107	-	11,054
Debt service:				
Principal	858,150	-	370,000	-
Interest	214,507	-	194,000	-
Pledge payment - UTOPIA debt service	1,428,525	-	-	-
Total expenditures	57,330,236	19,883,212	3,219,914	2,214,166
Excess (deficiency) of revenues over expenditures	5,234,936	(13,296,150)	347,303	925,810
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of capital assets	-	118,775	116,061	-
Transfers in	4,753,594	8,000,485	325,000	-
Transfers out	(8,195,889)	(816,788)	(365,337)	-
Total other financing sources (uses)	(3,442,295)	7,302,472	75,724	-
Net change in fund balances	1,792,641	(5,993,678)	423,027	925,810
Fund balances, beginning of year	18,532,950	38,019,948	8,728,605	6,372,078
Fund balances, end of year	\$ 20,325,591	\$ 32,026,270	\$ 9,151,632	\$ 7,297,888

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	\$ -	\$ -	\$ 30,072,426
Property taxes	-	-	16,522,590
Franchise taxes	-	-	4,823,084
Licenses and permits	-	-	2,338,682
Impact fees	-	-	2,670,764
Intergovernmental	-	-	9,180,538
Charges for services	-	8,610	5,378,916
Fines and forfeitures	-	-	1,164,371
Miscellaneous	3,088,272	-	3,408,061
Investment income	809,146	87,293	4,293,316
Total revenues	<u>3,897,418</u>	<u>95,903</u>	<u>79,852,748</u>
EXPENDITURES			
Current:			
General government	79,706	-	10,346,093
Public safety	-	-	30,709,440
Streets and public improvements	2,766	-	11,145,513
Parks, recreation, and culture	-	-	12,371,611
Capital outlay	1,633,267	-	16,725,428
Debt service:			
Principal	765,000	-	1,993,150
Interest	2,331,959	-	2,740,466
Pledge payment - UTOPIA debt service	-	-	1,428,525
Total expenditures	<u>4,812,698</u>	<u>-</u>	<u>87,460,226</u>
Excess (deficiency) of revenues over expenditures	<u>(915,280)</u>	<u>95,903</u>	<u>(7,607,478)</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	-	234,836
Transfers in	1,012,000	-	14,091,079
Transfers out	-	-	(9,378,014)
Total other financing sources (uses)	<u>1,012,000</u>	<u>-</u>	<u>4,947,901</u>
Net change in fund balances	96,720	95,903	(2,659,577)
Fund balances, beginning of year	20,817,681	1,573,422	94,044,684
Fund balances, end of year	<u>\$ 20,914,401</u>	<u>\$ 1,669,325</u>	<u>\$ 91,385,107</u>

The accompanying notes are an integral part of this statement.



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

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

Net change in fund balances for governmental funds	\$	(2,659,577)
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.		9,646,145
Intangible right-to-use lease assets are amortized over the life of the agreement and reported as amortization expense.		(43,291)
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.		(116,242)
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.		2,558,428
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.		(1,700,739)
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.		10,601
Change in net position of governmental activities	\$	<u>7,695,325</u>

The accompanying notes are an integral part of this statement.



PROPRIETARY FUND FINANCIAL STATEMENTS

Water Fund

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

Wastewater Fund

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

Power Fund

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

Storm Water Fund

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

Nonmajor Funds

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

Internal Service Funds

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



STATEMENT OF NET POSITION - PROPRIETARY FUNDS

(Page 1 of 2)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Power Fund	Storm Water Fund
ASSETS				
Current assets				
Cash and cash equivalents	\$ 838,946	\$ 3,980,759	\$ 3,496,635	\$ 2,569,644
Investments	454,374	369,105	1,218,193	100,323
Accounts receivable (net of allowance)	1,716,478	1,200,921	5,781,556	288,973
Notes receivable	-	-	-	-
Interfund receivable	-	-	515,532	-
Due from other governments	-	-	983,693	-
Inventory	-	-	4,648,906	-
Prepaid items	2,402	-	-	-
Total current assets	3,012,200	5,550,785	16,644,515	2,958,940
Noncurrent assets				
Restricted cash	109,791	291,947	22,162,234	978
Investments, long-term	1,329,737	1,080,195	3,565,072	293,597
Notes receivable	-	-	-	-
Investments in joint ventures	-	14,385,307	-	-
Other assets	-	-	-	-
Capital assets				
Land	2,155,313	455,921	1,691,650	2,582,882
Construction in progress	1,125,275	-	2,671,791	199,150
Buildings	933,325	949,132	3,462,645	69,106
Infrastructure	56,727,757	19,086,033	78,628,434	43,609,939
Equipment	3,676,440	1,943,676	17,094,710	1,815,630
Intangibles	-	-	3,759,027	-
Intangible right-to-use subscription assets	-	42,630	390,945	-
Accumulated depreciation and amortization	(26,604,061)	(11,925,563)	(87,956,675)	(33,575,187)
Total noncurrent assets	39,453,577	26,309,278	45,469,833	14,996,095
Total assets	42,465,777	31,860,063	62,114,348	17,955,035
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	495,832	222,390	1,568,854	195,547
Total deferred outflows of resources	495,832	222,390	1,568,854	195,547
LIABILITIES				
Current liabilities				
Accounts payable	191,163	393,533	4,293,560	36,191
Accrued liabilities	60,139	27,203	556,177	23,066
Interfund payable	-	-	-	-
Interest payable	67,117	22,744	98,172	39,666
Compensated absences	190,329	99,552	600,218	41,314
Notes payable	-	-	-	-
Bonds and subscriptions payable	263,000	153,203	380,109	280,000
Customer deposits	70,250	-	3,130,159	-
Total current liabilities	841,998	696,235	9,058,395	420,237
Noncurrent liabilities				
Compensated absences	120,973	59,162	294,625	19,918
Net pension liability	371,880	166,795	1,176,659	146,662
Notes payable	-	-	-	-
Bonds and subscriptions payable	7,791,000	1,074,000	18,916,913	2,388,528
Total noncurrent liabilities	8,283,853	1,299,957	20,388,197	2,555,108
Total liabilities	9,125,851	1,996,192	29,446,592	2,975,345
DEFERRED INFLOWS OF RESOURCES				
Pension related	1,525	684	4,826	602
Total deferred inflows of resources	1,525	684	4,826	602
NET POSITION				
Net investment in capital assets	29,921,382	9,324,626	19,382,206	12,028,822
Restricted				
Capital	-	107,137	-	-
Debt service	39,541	184,810	4,139	978
Unrestricted	3,873,310	20,469,004	14,845,439	3,144,835
Total net position	\$ 33,834,233	\$ 30,085,577	\$ 34,231,784	\$ 15,174,635

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	\$ 5,072,385	\$ 15,958,369	\$ 2,179,012
Investments	15,245	2,157,240	228,376
Accounts receivable (net of allowance)	331,249	9,319,177	-
Notes receivable	14,797	14,797	-
Interfund receivable	-	515,532	-
Due from other governments	-	983,693	-
Inventory	80,293	4,729,199	107,577
Prepaid items	-	2,402	425
Total current assets	5,513,969	33,680,409	2,515,390
Noncurrent assets			
Restricted cash	1,500	22,566,450	-
Investments, long-term	44,614	6,313,215	668,348
Notes receivable	60,858	60,858	-
Investments in joint ventures	3,660,541	18,045,848	-
Other assets	-	-	25,000
Capital assets			
Land	326,336	7,212,102	-
Construction in progress	239,584	4,235,800	-
Buildings	942,208	6,356,416	-
Infrastructure	6,147,369	204,199,532	-
Equipment	2,203,295	26,733,751	309,428
Intangibles	-	3,759,027	-
Intangible right-to-use subscription assets	-	433,575	-
Accumulated depreciation and amortization	(7,150,761)	(167,212,247)	(242,974)
Total noncurrent assets	6,475,544	132,704,327	759,802
Total assets	11,989,513	166,384,736	3,275,192
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	205,940	2,688,563	179,708
Total deferred outflows of resources	205,940	2,688,563	179,708
LIABILITIES			
Current liabilities			
Accounts payable	294,087	5,208,534	28,610
Accrued liabilities	167,148	833,733	372,567
Interfund payable	515,532	515,532	-
Interest payable	-	227,699	-
Compensated absences	54,497	985,910	51,719
Notes payable	14,797	14,797	-
Bonds and subscriptions payable	-	1,076,312	-
Customer deposits	1,500	3,201,909	-
Total current liabilities	1,047,561	12,064,426	452,896
Noncurrent liabilities			
Compensated absences	42,016	536,694	29,921
Net pension liability	154,458	2,016,454	134,783
Notes payable	60,858	60,858	-
Bonds and subscriptions payable	-	30,170,441	-
Total noncurrent liabilities	257,332	32,784,447	164,704
Total liabilities	1,304,893	44,848,873	617,600
DEFERRED INFLOWS OF RESOURCES			
Pension related	634	8,271	552
Total deferred inflows of resources	634	8,271	552
NET POSITION			
Net investment in capital assets	2,623,335	73,280,371	66,454
Restricted			
Capital	-	107,137	-
Debt service	-	229,468	-
Unrestricted	8,266,591	50,599,179	2,770,294
Total net position	\$ 10,889,926	\$ 124,216,155	\$ 2,836,748

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	\$ 8,397,278	\$ 8,835,309	\$ 44,093,000	\$ 3,522,106
Connection and servicing fees	7,270	14,402	326,176	-
Other	7,444	6,898	2,052,537	1,759
Total operating revenues	8,411,992	8,856,609	46,471,713	3,523,865
OPERATING EXPENSES				
Wages and benefits	2,453,250	1,173,254	7,830,800	991,610
Administrative fees	911,727	757,977	1,908,398	450,473
Operations and maintenance	2,848,079	4,961,785	5,006,350	562,334
Purchase of power	-	-	27,210,009	-
Depreciation and amortization	1,518,418	659,991	1,904,693	483,484
Total operating expenses	7,731,474	7,553,007	43,860,250	2,487,901
Operating income (loss)	680,518	1,303,602	2,611,463	1,035,964
NONOPERATING REVENUES (EXPENSES)				
Investment income	157,076	237,522	785,953	119,651
Interest	(80,540)	(32,248)	(105,286)	(100,712)
Equity in income of joint venture	-	572,498	-	-
Gain (loss) on disposal of assets	(20,421)	40,500	56,005	-
Total nonoperating revenues (expenses)	56,115	818,272	736,672	18,939
Income (loss) before contributions and transfers	736,633	2,121,874	3,348,135	1,054,903
Capital contributions	525,637	944,193	207,650	101,835
Transfers in	8,000	220,569	3,907	-
Transfers out	(895,520)	(842,600)	(3,479,209)	(128,000)
Change in net position	374,750	2,444,036	80,483	1,028,738
Total net position, beginning of year	33,459,483	27,641,541	34,151,301	14,145,897
Total net position, end of year	\$ 33,834,233	\$ 30,085,577	\$ 34,231,784	\$ 15,174,635

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
<u>OPERATING REVENUES</u>			
Charges for services	\$ 4,775,219	\$ 69,622,912	\$ 2,594,643
Connection and servicing fees	-	347,848	-
Other	66,865	2,135,503	244,770
Total operating revenues	4,842,084	72,106,263	2,839,413
<u>OPERATING EXPENSES</u>			
Wages and benefits	1,230,759	13,679,673	931,791
Administrative fees	376,291	4,404,866	-
Operations and maintenance	2,449,062	15,827,610	1,929,383
Purchase of power	-	27,210,009	-
Depreciation and amortization	325,710	4,892,296	23,333
Total operating expenses	4,381,822	66,014,454	2,884,507
Operating income (loss)	460,262	6,091,809	(45,094)
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Investment income	224,455	1,524,657	118,695
Interest	(13,783)	(332,569)	-
Equity in income of joint venture	246,825	819,323	-
Gain (loss) on disposal of assets	16,700	92,784	-
Total nonoperating revenues (expenses)	474,197	2,104,195	118,695
Income (loss) before contributions and transfers	934,459	8,196,004	73,601
Capital contributions	-	1,779,315	-
Transfers in	522,788	755,264	-
Transfers out	(60,000)	(5,405,329)	(63,000)
Change in net position	1,397,247	5,325,254	10,601
Total net position, beginning of year	9,492,679	118,890,901	2,826,147
Total net position, end of year	\$ 10,889,926	\$ 124,216,155	\$ 2,836,748

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	\$ 7,861,627	\$ 8,694,843	\$ 45,310,071	\$ 3,460,089
Payments to suppliers of goods and services	(2,944,289)	(4,860,119)	(33,115,646)	(544,247)
Payments to employees for services	(2,322,583)	(1,124,060)	(7,571,526)	(962,281)
Payments for interfund services	(911,727)	(757,977)	(1,908,398)	(450,473)
Net cash provided (used) by operating activities	1,683,028	1,952,687	2,714,501	1,503,088
Cash flows from noncapital financing activities				
Transfers from other funds	8,000	220,569	3,907	-
Transfers to other funds	(895,520)	(842,600)	(3,479,209)	(128,000)
Changes to interfund receivables and payables	-	-	173,585	-
Net cash provided (used) by noncapital financing activities	(887,520)	(622,031)	(3,301,717)	(128,000)
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	12,113	40,500	56,005	-
Purchases of capital assets	(1,358,480)	(48,574)	(2,758,761)	(114,908)
Impact fees	386,001	814,353	207,650	4,026
Proceeds from issuance of debt	-	-	19,090,000	-
Principal paid on debt	-	(149,677)	(61,425)	(282,986)
Interest paid on capital debt	(80,540)	(34,798)	(7,114)	(104,650)
Net cash provided (used) by capital and related financing activities	(1,040,906)	621,804	16,526,355	(498,518)
Cash flows from investing activities				
Sale (purchase) of investments	(94,207)	(568,064)	2,890,810	(20,800)
Investment income	157,076	237,522	785,953	119,651
Capital acquisitions in joint venture	-	(60,289)	-	-
Net cash provided (used) by investing activities	62,869	(390,831)	3,676,763	98,851
Net increase (decrease) in cash and cash equivalents	(182,529)	1,561,629	19,615,902	975,421
Cash and cash equivalents - beginning of year	1,131,266	2,711,077	6,042,967	1,595,201
Cash and cash equivalents - end of year	\$ 948,737	\$ 4,272,706	\$ 25,658,869	\$ 2,570,622
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	\$ 680,518	\$ 1,303,602	\$ 2,611,463	\$ 1,035,964
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	1,518,418	659,991	1,904,693	483,484
(Increase) decrease in receivables	(504,870)	(161,766)	(2,145,335)	(63,776)
(Increase) decrease in inventory, prepaids, and other assets	(2,005)	-	(1,314,071)	1,094
(Increase) decrease in other assets				
Increase (decrease) in liabilities	(9,033)	150,860	1,657,751	46,322
Net cash provided (used) by operating activities	\$ 1,683,028	\$ 1,952,687	\$ 2,714,501	\$ 1,503,088
Noncash investing, capital and financing activities				
Capital contributions, developers	\$ 139,636	\$ 129,840	\$ -	\$ 97,809
Equity investment adjustment for net income	-	572,498	-	-

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	\$ 4,814,179	\$ 70,140,809	\$ 2,839,413
Payments to suppliers of goods and services	(2,383,491)	(43,847,792)	(1,969,749)
Payments to employees for services	(1,195,311)	(13,175,761)	(896,608)
Payments for interfund services	(376,291)	(4,404,866)	-
Net cash provided (used) by operating activities	859,086	8,712,390	(26,944)
Cash flows from noncapital financing activities			
Transfers from other funds	522,788	755,264	-
Transfers to other funds	(60,000)	(5,405,329)	(63,000)
Changes to interfund receivables and payables	(173,585)	-	-
Net cash provided (used) by noncapital financing activities	289,203	(4,650,065)	(63,000)
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	16,700	125,318	-
Purchases of capital assets	(469,610)	(4,750,333)	-
Impact fees	-	1,412,030	-
Proceeds from issuance of debt	-	19,090,000	-
Principal paid on debt	-	(494,088)	-
Interest paid on capital debt	(13,783)	(240,885)	-
Net cash used by capital and related financing activities	(466,693)	15,142,042	-
Cash flows from investing activities			
Sale (purchase) of investments	(3,160)	2,204,579	(47,350)
Investment income	224,455	1,524,657	118,695
Capital acquisitions in joint venture	-	(60,289)	-
Net cash provided (used) by investing activities	221,295	3,668,947	71,345
Net increase (decrease) in cash and cash equivalents	902,891	22,873,314	(18,599)
Cash and cash equivalents - beginning of year	4,170,994	15,651,505	2,197,611
Cash and cash equivalents - end of year	\$ 5,073,885	\$ 38,524,819	\$ 2,179,012
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ 460,262	\$ 6,091,809	\$ (45,094)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	325,710	4,892,296	23,333
(Increase) decrease in receivables	(27,905)	(2,903,652)	-
(Increase) decrease in inventory, prepaids, and other assets	(12,848)	(1,327,830)	(3,096)
(Increase) decrease in other assets			
Increase (decrease) in liabilities	113,867	1,959,767	(2,087)
Net cash provided (used) by operating activities	\$ 859,086	\$ 8,712,390	\$ (26,944)
Noncash investing, capital and financing activities			
Capital contributions, developers	\$ -	\$ 367,285	\$ -
Equity investment adjustment for net income	246,825	819,323	-

The accompanying notes are an integral part of this statement.



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Notes to the Financial Statements



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

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

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

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

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

Discretely presented component units, if any, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the City. As of June 30, 2025, 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 in 2024. 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, 2025 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. The City currently has no lease receivable for fiscal year 2025.

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 resources 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

The amount of accumulated vacation leave, sick pay, and comp time not expected to be liquidated with available financial resources but considered to be more likely than not to be used or settled at termination are reported as a liability in the government-wide Statement of Net Position and as an expense in the government-wide Statement of Activities. No expenditure is reported for this amount in the governmental fund financial statements unless they have matured as a result of employee leave, resignation and retirement and have not been paid. If applicable to record in the governmental fund statements, they are reported with accrued liabilities as part of accrued payroll. Accumulated vacation leave, sick pay and comp time of proprietary funds are recorded as an expense and a liability of those funds as the benefits accrue and are more likely than not to be used or settled at termination to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. The liability includes salary-related benefits, where applicable, and are measured using the pay or salary rates in effect at the financial statement date.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Compensated Absences (continued)

Vacation time has a maximum carryover of 320 hours at an employee's anniversary date. Comp time has a maximum accrual of 80 hours and anything above that is automatically paid out as wages in the period incurred. Vacation and comp are both fully recognized as compensated absence liabilities as they are guaranteed to the employee as earned and payable. Employees may accumulate sick leave without limitation. Sick pay amounts are charged as expenditures when incurred. Upon retirement, a percentage of accumulated sick leave is paid to employees based upon the number of years worked, but sick leave is forfeited for all other separations. For GASB 101 implementation, sick leave was analyzed for usage based on historical and projected percentages and accrued using the LIFO basis of accounting.

Per the criteria outlined by GASB 101, all other potential leave benefits (i.e. holiday, bereavement leave, post-partum, military, etc.) have been deemed insignificant to the City's respective reporting funds as they do not result in any termination or retirement payments, but are rather a use-it or lose-it benefits to the employees and are dependent upon the occurrence of a sporadic event. As such, they are recognized more appropriately when the leave commences and is used.

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.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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.



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)

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.

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.



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)

In accordance with GASB 54, the General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Use of Estimates

Presenting financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to estimates and assumptions include the carrying amount of property and equipment, the allowance for doubtful accounts, and the realizability of sick leave time to be potentially used by or paid to employees. Actual results may vary from these estimates.

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 amendments 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.



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budget Process (continued)

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	\$ 319,008,268
Accumulated depreciation	(119,018,113)
Total difference	<u>\$ 199,990,155</u>

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

Intangible right-to-use lease and subscription assets:

Cost of intangible right-to-use lease assets	\$ 19,190
Cost of intangible right-to-use subscription assets	198,199
Accumulated amortization	(50,249)
Total difference	<u>\$ 167,140</u>



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

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

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	\$ (6,657,397)
Bonds payable	(61,106,000)
Compensated absences	(3,727,540)
Bond premium	(5,627,240)
Lease payable	(14,010)
Subscription payable	(105,380)
Total difference	<u>\$ (77,237,567)</u>

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

Deferred inflows and outflows related to Pensions:

Deferred inflows related to pensions	\$ (93,634)
Deferred outflows related to pensions	9,013,943
Total difference	<u>\$ 8,920,309</u>

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	\$ 292,032
Ending net position of the Retained Risk Fund	2,544,716
Net investment in capital assets, Central Garage Fund	(66,454)
Total difference	<u>\$ 2,770,294</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.



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)

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	\$	16,725,428
Depreciation expense		(7,413,319)
Developer contributions		799,823
Cost of capital assets sold		(465,787)
Total difference	\$	<u>9,646,145</u>

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

Long-term debt transactions:

Principal payments:		
Sales tax revenue bonds		1,960,000
Leases		33,150
Interest expense		279,310
Bond premium amortization		285,968
Total difference	\$	<u>2,558,428</u>

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	\$	(235,340)
Net pension asset		(566,456)
Net pension liability		(890,488)
Deferred pension inflows		51,602
Deferred pension outflows		(60,057)
Total difference	\$	<u>(1,700,739)</u>

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	\$	(108,164)
<i>Change in net position</i> from the Retained Risk Fund		118,765
Total difference	\$	<u>10,601</u>



NOTE 3 - PROPERTY TAXES

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

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

For property taxes, at January 1 of each year (the assessment date), the City has the legal right to collect the taxes and has recorded a receivable and a corresponding deferred inflow of resources for the assessed amount of those property taxes as of January 1, 2025. 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, 2025, the City's bank balance deposit carrying value was \$42,762,735. Of this amount, \$42,512,735 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 \$50,680,147, 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, 2025 is as follows:

Restricted	\$ 43,070,612
Unrestricted	94,966,016
Total	\$ 138,036,628
Cash	\$ 42,181,402
Cash equivalents and investments	95,855,226
Total	\$ 138,036,628

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 \$45,175,079.

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 Utah State Treasurer's Office values the PTIF investments at fair value. As of June 30, 2025, the City's fair value investments in the PTIF were \$100,621 more than the amortized cost of \$50,680,147, which have not been recognized and reported by the City. The City's has classified these investments 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, 2025, the City's fair value investments in Moreton were \$124,370 more than the amortized cost of \$45,050,709 and were reported at \$45,175,079.



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, 2025:

	Fair Value Using			
	6/30/2025	Level 1	Level 2	Level 3
Money Market	\$ 353,074	\$ 353,074	\$ -	\$ -
Utah Public Treasurer's Investment Fund	50,680,147	-	50,680,147	-
U.S. Gov't or U.S. Agencies	28,835,415	5,883,834	22,951,581	-
Corporate Notes	15,986,590	-	15,986,590	-
Total investments	<u>\$ 95,855,226</u>	<u>\$ 6,236,908</u>	<u>\$ 89,618,318</u>	<u>\$ -</u>

The following are the City's investment maturities as of June 30, 2025:

	Investment Maturities (in years)	
	Less than 1	1-5
Money Market	\$ 353,074	\$ -
Utah Public Treasurer's Investment Fund	50,680,147	-
U.S. Gov't or U.S. Agencies	8,035,314	20,800,101
Corporate Notes	3,116,718	12,869,872
Total investments	<u>\$ 62,185,253</u>	<u>\$ 33,669,973</u>

The following are the City's investment quality ratings as of June 30, 2025:

	Quality Ratings					
	6/30/25	AAA	AA	A	BBB	Unrated
Money Market and Cash	\$ 353,074	\$ 353,074	\$ -	\$ -	\$ -	\$ -
Utah Public Treasurer's Investment Fund	50,680,147	-	-	-	-	50,680,147
U.S. Gov't or U.S. Agencies	28,835,415	1,368,091	5,982,241	1,309,154	483,729	19,692,200
Corporate Notes	15,986,590	-	4,071,013	11,915,577	-	-
Total investments	<u>\$ 95,855,226</u>	<u>\$ 1,721,165</u>	<u>\$ 10,053,254</u>	<u>\$ 13,224,731</u>	<u>\$ 483,729</u>	<u>\$ 70,372,347</u>



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	\$ 1,701,719	\$ 12,615,906	\$ 6,865,709	\$ 21,183,334	\$ (1,017,044)	\$ 20,166,290
Capital Projects	2,985	-	-	2,985	-	2,985
Redevelopment Agency	-	3,234,429	-	3,234,429	-	3,234,429
Library	-	2,634,626	-	2,634,626	-	2,634,626
Municipal Building Auth.	23,615	-	-	23,615	-	23,615
Water	1,727,360	-	-	1,727,360	(10,882)	1,716,478
Wastewater	1,209,630	-	-	1,209,630	(8,709)	1,200,921
Power	5,848,189	-	983,693	6,831,882	(66,633)	6,765,249
Storm Water	292,187	-	-	292,187	(3,214)	288,973
Non-major	333,015	-	-	333,015	(1,766)	331,249
	<u>\$ 11,138,700</u>	<u>\$ 18,484,961</u>	<u>\$ 7,849,402</u>	<u>\$ 37,473,063</u>	<u>\$ (1,108,248)</u>	<u>\$ 36,364,815</u>

NOTE 6 – INTERFUND TRANSFERS

	Transfers In								Total
	General Fund	Capital Projects	Redevelopment	MBA	Water	Wastewater	Power	NonMajor Proprietary	
Transfers Out:									
General	\$ -	\$ 7,870,889	\$ 325,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,195,889
Capital Projects	-	-	-	294,000	-	-	-	522,788	816,788
Redevelopment	11,265	129,596	-	-	-	220,569	3,907	-	365,337
Water	577,520	-	-	318,000	-	-	-	-	895,520
Wastewater	685,600	-	-	149,000	8,000	-	-	-	842,600
Power	3,479,209	-	-	-	-	-	-	-	3,479,209
Storm Water	-	-	-	128,000	-	-	-	-	128,000
Nonmajor	-	-	-	60,000	-	-	-	-	60,000
Internal Service Fund	-	-	-	63,000	-	-	-	-	63,000
	<u>\$ 4,753,594</u>	<u>\$ 8,000,485</u>	<u>\$ 325,000</u>	<u>\$ 1,012,000</u>	<u>\$ 8,000</u>	<u>\$ 220,569</u>	<u>\$ 3,907</u>	<u>\$ 522,788</u>	<u>\$ 14,846,343</u>

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

NOTE 7 – INTERFUND RECEIVABLES AND PAYABLE

Murray Parkway acquired the following two (2) notes:

Ordinance 16-32 approved on September 12, 2016. A note from the Power Fund in the amount of \$1,250,000 to replace the irrigation system at the golf course. This note will be repaid in 12 annual installment payments payable on July 31 each year. Annual principal and interest payments will occur through July 31, 2028. The note carries an interest rate of 2.0 percent. The balance remaining as of June 30, 2025 is \$450,072.

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, 2025 is \$65,460.



NOTE 8 – CAPITAL ASSETS

Governmental activities	Beg Balance	Increases	Decreases	End Balance
Capital assets, not being depreciated:				
Land	\$ 26,613,220	\$ -	\$ (448,804)	\$ 26,164,416
Road and right of way land	48,561,623	423,457	-	48,985,080
Construction in progress	13,874,608	9,021,379	(6,195,477)	16,700,510
Total capital assets, not being depreciated	89,049,451	9,444,836	(6,644,281)	91,850,006
Capital assets, being depreciated:				
Buildings	77,897,230	10,065,513	-	87,962,743
Infrastructure	110,492,718	954,158	-	111,446,876
Machinery and equipment	25,280,142	3,256,221	(787,720)	27,748,643
Intangible right-to-use lease assets	19,190	-	-	19,190
Intangible right-to-use subscription assets	198,199	-	-	198,199
Total capital assets being depreciated	213,887,479	14,275,892	(787,720)	227,375,651
Less accumulated depreciation and amortization for:				
Buildings	(25,078,838)	(2,267,943)	-	(27,346,781)
Infrastructure	(70,506,032)	(2,887,909)	-	(73,393,941)
Machinery and equipment	(16,767,328)	(2,280,800)	770,737	(18,277,391)
Intangible right-to-use lease assets	(3,655)	(3,655)	-	(7,310)
Intangible right-to-use subscription assets	(3,303)	(39,636)	-	(42,939)
Total accumulated depreciation and amortization	(112,359,156)	(7,479,943)	770,737	(119,068,362)
Total capital assets, being depreciated, net	101,528,323	6,795,949	(16,983)	108,307,289
Governmental activities capital assets, net	\$ 190,577,774	\$ 16,240,785	\$ (6,661,264)	\$ 200,157,295
Business-type activities	Beg Balance	Increases	Decreases	End Balance
Capital assets, not being depreciated:				
Land	\$ 6,974,069	\$ 238,033	\$ -	\$ 7,212,102
Construction in progress	1,404,325	3,938,255	(1,106,780)	4,235,800
Total capital assets, not being depreciated	8,378,394	4,176,288	(1,106,780)	11,447,902
Capital assets, being depreciated:				
Buildings	6,233,556	122,860	-	6,356,416
Infrastructure	203,093,533	1,413,138	(307,139)	204,199,532
Machinery and equipment	27,078,861	819,251	(1,164,361)	26,733,751
Intangibles	3,759,027	-	-	3,759,027
Intangible right-to-use subscription assets	433,575	-	-	433,575
Total capital assets being depreciated	240,598,552	2,355,249	(1,471,500)	241,482,301
Less accumulated depreciation and amortization for:				
Buildings	(5,838,787)	(168,415)	-	(6,007,202)
Infrastructure	(135,110,156)	(3,143,259)	-	(138,253,415)
Machinery and equipment	(19,358,602)	(1,424,706)	1,131,827	(19,651,481)
Intangibles	(3,067,032)	(76,551)	-	(3,143,583)
Intangible right-to-use subscription assets	(77,201)	(79,365)	-	(156,566)
Total accumulated depreciation and amortization	(163,451,778)	(4,892,296)	1,131,827	(167,212,247)
Total capital assets, being depreciated, net	77,146,774	(2,537,047)	(339,673)	74,270,054
Business-type activities capital assets, net	\$ 85,525,168	\$ 1,639,241	\$ (1,446,453)	\$ 85,717,956



NOTE 8 – CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 1,971,902
Public safety	1,360,061
Highways and public improvements	2,889,894
Parks, recreation and culture	1,258,086
Total depreciation expense	<u>\$ 7,479,943</u>
Business-type activities	
Water	\$ 1,518,418
Wastewater	659,991
Power	1,904,693
Murray Parkway	287,092
Solid Waste	38,618
Storm Water	483,484
Total depreciation expense	<u>\$ 4,892,296</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, 2025, the City has a 7.57 percent ownership share in the Trans-Jordan Cities (the Association) joint enterprise. The City recognized its equity income of a joint venture of \$246,825 in the Solid Waste Fund under nonoperating revenue.

Tipping fees paid from the Solid Waste Fund to Trans-Jordan Cities were \$373,758 for fiscal year 2025.



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 7.72 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 \$4,329,446 in fiscal year 2025. The City recorded a net increase in its investment in the Facility of \$572,498 in fiscal year 2025.

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, 2024 was \$3,088,764. 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, 2024 was \$3,799,530. 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, 2024 was \$11,496,862. 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 \$4,825,554. 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, 2024 was \$1,671,998.

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, 2025 is \$615,445, 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, South Salt Lake, 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, 2025, the City recognized \$63,924 of lease revenue and \$1,194 of interest income under the lease. This lease has not been renewed but is currently operating on a month-to-month basis.

B. Lease Payables

In the prior year, the City entered into a lease agreement, as a lessee, for the use of a mail machine. The lease payable is measured as the present value of the future minimum rent payments to be made during the lease term at a discount rate of 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, 2025, the value of this lease payable was \$14,010. 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, 2025 was \$19,190, at cost, with accumulated amortization of \$7,310.

The future minimum lease obligations as of June 30, 2025 are as follows:

Year end June 30,	Principal	Interest	Total
2026	4,126	467	4,593
2027	4,288	305	4,593
2028	4,456	137	4,593
2029	1,140	8	1,148
	<u>\$ 14,010</u>	<u>\$ 917</u>	<u>\$ 14,927</u>



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 assets by major classes is as follows as of June 30, 2025:

<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	\$ 42,939	Software	\$ 433,575	\$ 156,566

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>
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>\$ 105,380</u>	<u>\$ 8,356</u>	<u>\$ 113,736</u>		<u>\$ 221,225</u>	<u>\$ 11,727</u>	<u>\$ 232,952</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>
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	455,000	111,700	566,700
2031-2035	2,565,000	264,700	2,829,700
	<u>\$ 4,665,000</u>	<u>\$ 994,500</u>	<u>\$ 5,659,500</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>
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	510,000	24,056	534,056
2031	525,000	8,203	533,203
	<u>\$ 2,900,000</u>	<u>\$ 311,983</u>	<u>\$ 3,211,983</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>
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	770,000	1,052,200	1,822,200
2031-2035	4,360,000	4,762,000	9,122,000
2036-2040	5,320,000	3,797,000	9,117,000
2041-2045	6,505,000	2,617,900	9,122,900
2046-2050	7,945,000	1,177,900	9,122,900
2051	1,790,000	35,800	1,825,800
	<u>\$ 29,490,000</u>	<u>\$ 17,942,600</u>	<u>\$ 47,432,600</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>
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	429,000	69,999	498,999
2031-2035	2,258,000	239,287	2,497,287
2036-2037	974,000	25,488	999,488
	<u>\$ 5,326,000</u>	<u>\$ 667,490</u>	<u>\$ 5,993,490</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>
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	520,000	756,375	1,276,375
2031-2035	3,010,000	3,355,625	6,365,625
2036-2040	3,870,000	2,499,875	6,369,875
2041-2045	4,845,000	1,527,775	6,372,775
2046-2049	4,675,000	422,243	5,097,243
	<u>\$ 18,725,000</u>	<u>\$ 11,826,518</u>	<u>\$ 30,551,518</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>
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	153,000	15,900	168,900
2031-2033	483,000	24,350	507,350
	<u>\$ 1,213,000</u>	<u>\$ 140,375</u>	<u>\$ 1,353,375</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>
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	165,000	23,650	188,650
2031-2033	510,000	32,200	542,200
	<u>\$ 1,260,000</u>	<u>\$ 201,700</u>	<u>\$ 1,461,700</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>
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	165,000	28,200	193,200
2031-2033	540,000	43,600	583,600
	<u>\$ 1,310,000</u>	<u>\$ 246,400</u>	<u>\$ 1,556,400</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>
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	274,000	69,850	343,850
2031-2035	1,412,000	307,580	1,719,580
2036-2040	1,680,000	231,690	1,911,690
2041-2045	1,764,000	146,020	1,910,020
2046-2050	1,855,000	56,010	1,911,010
	<u>\$ 8,054,000</u>	<u>\$ 1,117,410</u>	<u>\$ 9,171,410</u>

J. Series 2025 Electric Revenue Bonds

Purpose: System upgrades and maintenance projects
Date of issuance: May 20, 2025
Interest rate: 4.61%
Original issuance: \$19,090,000

The Series 2025 electric revenue bonds were issued for system upgrade including but not limited to, a substation rebuild, new transformers, rebuild of gas turbines and hydro system maintenance. 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>
2026	\$ 315,000	\$ 906,939	\$ 1,221,939
2027	495,000	865,528	1,360,528
2028	535,000	842,708	1,377,708
2029	710,000	818,045	1,528,045
2030	745,000	785,313	1,530,313
2031-2035	4,265,000	3,378,899	7,643,899
2036-2040	5,340,000	2,301,312	7,641,312
2041-2045	6,685,000	952,196	7,637,196
	<u>\$ 19,090,000</u>	<u>\$ 10,850,940</u>	<u>\$ 29,940,940</u>



NOTE 12 – LONG-TERM LIABILITIES (continued)

K. Changes in Long-term Liabilities

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
<u>Governmental activities</u>					
Bonds payable					
Series 2016 Sales Tax Revenue Bonds	\$ 5,035,000	\$ -	\$ (370,000)	\$ 4,665,000	\$ 385,000
Series 2018 Sales Tax Revenue Bonds	3,320,000	-	(420,000)	2,900,000	440,000
Series 2020 Lease Revenue Bonds	30,120,000	-	(630,000)	29,490,000	660,000
Series 2021 Sales Tax Revenue Bonds	5,731,000	-	(405,000)	5,326,000	409,000
Series 2024 Lease Revenue Bonds	18,860,000	-	(135,000)	18,725,000	425,000
Unamortized premiums	5,913,208	-	(285,968)	5,627,240	-
Leases payable	17,981	-	(3,971)	14,010	4,126
Subscriptions payable	134,559	-	(29,179)	105,380	32,021
Total bonds and leases payable	69,131,748	-	(2,279,118)	66,852,630	2,355,147
Compensated absences *	3,571,436	237,744	-	3,809,180	2,437,496
Total governmental long-term obligations	<u>\$ 72,703,184</u>	<u>\$ 237,744</u>	<u>\$ (2,279,118)</u>	<u>\$ 70,661,810</u>	<u>\$ 4,792,643</u>
<u>Business-type activities</u>					
Bonds payable					
Series 2012 Sewer Revenue Bonds	\$ 1,349,000	\$ -	\$ (136,000)	\$ 1,213,000	\$ 139,000
Series 2013 Storm Water Revenue Bonds	1,395,000	-	(135,000)	1,260,000	140,000
Series 2016 Storm Water Revenue Bonds	1,445,000	-	(135,000)	1,310,000	140,000
Series 2019 Water Revenue Bonds	8,054,000	-	-	8,054,000	263,000
Series 2025 Electric Revenue Bonds	-	19,090,000	-	19,090,000	315,000
Unamortized premiums	111,514	-	(12,986)	98,528	-
Subscriptions payable	296,327	-	(75,102)	221,225	79,312
Total bonds and subscriptions payable	12,650,841	19,090,000	(494,088)	31,246,753	1,076,312
Compensated absences *	1,428,999	93,605	-	1,522,604	985,910
Total business-type long-term obligations	<u>\$ 14,079,840</u>	<u>\$ 19,183,605</u>	<u>\$ (494,088)</u>	<u>\$ 32,769,357</u>	<u>\$ 2,062,222</u>

* The change in compensated absences above is a net change for the year.

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 \$1.9 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, 2025.

Project type	Contract Amount	Spent-to-date	Remaining commitment
Street and infrastructure improvement projects	\$ 2,430,388	\$ 56,892	\$ 2,373,496
Buildings	11,235,828	10,235,335	1,000,493
Public Works facilities	22,311,784	1,532,661	20,779,123
	<u>\$ 35,978,000</u>	<u>\$ 11,824,888</u>	<u>\$ 24,153,112</u>

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

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

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

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



NOTE 14 – CONTINGENT LIABILITIES AND COMMITMENTS (continued)

B. Commitments (continued)

In December 2011, UTOPIA completed a second amended and restated pledge and loan agreement with its member cities. This change occurred so that UTOPIA could refund the Series 2008 Bonds. This reduced UTOPIA's market risk and administrative costs. This also drew down the restricted money that had been set aside for UTOPIA's Series 2004 Debt Service Reserve Fund. This amendment also helps ensure 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 payment amount committed by the City for year ended June 30, 2025 was \$2,008,315, less a dividend received from UTOPIA for \$579,790, leaving a net payment of \$1,428,525 as reported on the statement of revenues, expenditures, and changes in fund balances for governmental funds. The payment commitments are subject to a 2 percent increase per year through 2040. The payment commitment for fiscal year 2026 is \$2,048,481. The total debt service payments paid by the City as of June 30, 2025 is \$26,185,340. 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, 2025. 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 – 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, 2025; 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 2025	FY 2024
Tax increment collection for various project areas	\$ 3,084,108	\$ 4,487,734
Public improvements, including housing donations	(1,542,871)	(2,886,751)
Debt service	(565,250)	(564,750)
Tax increment distributions	(1,388,382)	(1,531,303)
Administrative costs	(88,748)	(384,963)

As of June 30, 2025, 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 2025	Taxes Abated in Prior Years	Total Maximum Tax Abatement	Primary Purpose of the Abatement	Abatement Expires
Streit Avida, LLC	\$ 376,534	\$ 2,941,844	\$ 3,039,117	Urban renewal, commercial, housing	2033
Parley's Partners, LLC	119,020	864,119	1,873,941	Urban renewal, commercial, housing	2033
Hamlet Development	255,052	1,879,872	3,328,862	Urban renewal, commercial, housing	2033
	<u>\$ 750,606</u>	<u>\$ 5,685,835</u>	<u>\$ 8,241,920</u>		



NOTE 16 – 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 16 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

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

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

*with actuarial reductions

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



NOTE 16 – 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, 2025 are as follows:

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates	Employer rate for 401(k) Plan
Contributory System				
11 - Local Governmental Division Tier 1	N/A	6.00%	12.96%	N/A
111 - Local Governmental Division Tier 2	0.70%	N/A	16.95%	N/A
Noncontributory System				
15 - Local Governmental Division Tier 1	N/A	N/A	16.97%	N/A
111 - Local Governmental Division Tier 2	0.70%	N/A	15.19%	N/A
Public Safety Contributory System				
122 - Tier 2 DB Hybrid Public Safety	N/A	4.73%	25.33%	N/A
Public Safety Noncontributory System				
43 - Other Division A 2.5% COLA	N/A	N/A	33.54%	N/A
Firefighters System				
31 - Division A Tier 1	N/A	15.05%	1.61%	N/A
132 - Tier 2 DB Hybrid Firefighters	N/A	4.73%	14.08%	N/A
Tier 2 DC Only				
211 - Local Government Contributory	N/A	N/A	6.95%	10.00%
211 - Local Government Noncontributory	N/A	N/A	5.19%	10.00%
222 - Public Safety	N/A	N/A	11.33%	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, 2025, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 1,923,043	\$ -
Public Safety System	1,042,046	-
Firefighters System	57,624	538,663
Tier 2 Public Employees System	1,342,113	61,848
Tier 2 Public Safety and Firefighter System	1,360,533	302,618
Tier 2 DC Only System	79,830	-
Tier 2 DC Public Safety and Firefighter System	32,113	-
Total Contributions	<u>\$ 5,837,302</u>	<u>\$ 903,129</u>

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 16 – 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, 2025, the City reported a net pension asset of \$1,499,009 and a net pension liability of \$8,808,634.

System	Measurement Date: December 31, 2024				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2023	Change (Decrease)
Noncontributory System	\$ -	\$ 3,929,174	1.2390509%	1.2950001%	-0.0559492%
Contributory System	-	-	0.0000000%	0.5405567%	-0.5405567%
Public Safety System	-	3,476,996	2.2471353%	2.3262417%	-0.0791064%
Firefighters System	1,499,009	-	8.5339536%	8.8006637%	-0.2667101%
Tier 2 Public Employees System	-	826,717	0.2771994%	0.2746819%	0.0025175%
Tier 2 Public Safety and Firefighter System	-	575,747	1.2729626%	1.3495537%	-0.0765911%
	<u>\$ 1,499,009</u>	<u>\$ 8,808,634</u>			

The net pension asset and liability were measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2024 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, 2025, the City recognized a pension expense of \$7,797,347.

At June 30, 2025, 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	\$ 5,061,556	\$ 35,946
Changes in assumptions	1,044,253	9,126
Net difference between projected and actual earnings on pension plan investments	2,303,920	-
Changes in proportion and differences between contributions and proportionate share of contributions	543,389	57,385
Contributions subsequent to the measurement date	2,929,096	-
	<u>\$ 11,882,214</u>	<u>\$ 102,457</u>

Deferred outflows of resources related to pensions of \$2,929,096 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2024.



NOTE 16 – 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
2025	\$ 3,726,321
2026	4,585,177
2027	(376,690)
2028	39,869
2029	309,450
Thereafter	566,534

Noncontributory system pension expense and deferred outflows and/or inflows of resources. At June 30, 2025, the City recognized pension expense of \$3,582,843.

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 2,341,223	\$ -
Changes in assumptions	325,015	-
Net difference between projected and actual earnings on pension plan investments	1,183,530	-
Changes in proportion and differences between contributions and proportionate share of contributions	5,270	1,846
Contributions subsequent to the measurement date	937,583	-
	<u>\$ 4,792,621</u>	<u>\$ 1,846</u>

Deferred outflows of resources related to pensions of \$937,583 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2024.

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
2025	\$ 2,254,281
2026	2,166,844
2027	(480,238)
2028	(87,695)



NOTE 16 – 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, 2025, the City recognized a pension expense of (\$24,542).

At June 30, 2025, the City reported no deferred outflows of resources and no deferred inflows of resources relating to pensions for this system.

Public safety system pension expense and deferred outflows and/or inflows of resources. At June 30, 2025, the City recognized pension expense of \$2,044,482.

At June 30, 2025, 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	\$ 367,418	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	601,765	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	29,388
Contributions subsequent to the measurement date	511,452	-
	<u>\$ 1,480,635</u>	<u>\$ 29,388</u>

Deferred outflows of resources related to pensions of \$511,452, results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2024.

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
2025	\$ 374,365
2026	854,163
2027	(244,426)
2028	(44,307)



NOTE 16 – 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, 2025, the City recognized pension expense of \$458,513.

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 1,646,953	\$ -
Changes in assumptions	120,236	-
Net difference between projected and actual earnings on pension plan investments	428,467	-
Changes in proportion and differences between contributions and proportionate share of contributions	341,922	4
Contributions subsequent to the measurement date	28,711	-
	<u>\$ 2,566,289</u>	<u>\$ 4</u>

Deferred outflows of resources related to pensions of \$28,711 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

<u>Year ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources
2025	\$ 935,863
2026	1,314,520
2027	245,931
2028	41,260



NOTE 16 – 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, 2025, the City recognized pension expense of \$902,986.

At June 30, 2025, 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	\$ 357,396	\$ 5,695
Changes in assumptions	276,113	85
Net difference between projected and actual earnings on pension plan investments	52,840	-
Changes in proportion and differences between contributions and proportionate share of contributions	130,023	11,878
Contributions subsequent to the measurement date	732,096	-
	<u>\$ 1,548,468</u>	<u>\$ 17,658</u>

Deferred outflows of resources related to pensions of \$732,096 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2024.

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
2025	\$ 95,365
2026	147,251
2027	63,469
2028	77,898
2029	184,971
Thereafter	229,760



NOTE 16 – 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, 2025, the City recognized pension expense of \$833,065.

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 348,566	\$ 30,251
Changes in assumptions	322,889	9,041
Net difference between projected and actual earnings on pension plan investments	37,318	-
Changes in proportion and differences between contributions and proportionate share of contributions	66,174	14,269
Contributions subsequent to the measurement date	719,254	-
	<u>\$ 1,494,201</u>	<u>\$ 53,561</u>

Deferred outflows of resources related to pensions of \$719,254 results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

<u>Year ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources
2025	\$ 66,447
2026	102,399
2027	38,574
2028	52,713
2029	124,479
Thereafter	336,774

Actuarial assumptions. The total pension liability in the December 31, 2024 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 16 – 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, 2024 valuation were based on the results of an actuarial experience study for the period ending December 31, 2023.

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%	7.01%	2.45%
Debt securities	20%	2.54%	0.51%
Real assets	18%	5.45%	0.98%
Private equity	12%	10.05%	1.21%
Absolute return	15%	4.36%	0.65%
Cash and cash equivalents	0%	0.49%	0.00%
Total	100%		5.80%
Inflation			2.50%
Expected arithmetic nominal return			8.30%

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 16 – 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	\$ 16,617,182	\$ 3,929,174	\$ (6,711,958)
Public Safety System	10,681,832	3,476,996	(2,402,038)
Firefighters System	3,262,262	(1,499,009)	(5,381,268)
Tier 2 Public Employees System	2,469,202	826,717	(450,975)
Tier 2 Public Safety and Firefighter System	1,963,243	575,747	(533,578)
	<u>\$ 34,993,721</u>	<u>\$ 7,309,625</u>	<u>\$ (15,479,817)</u>

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

B. Defined Contribution Savings Plan

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

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

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

The City limits participation in the defined contribution savings plan to employees who are classified as full-time and benefit-eligible. Benefit terms are established and may only be amended by the Mayor with the support of the City Council. The City currently contributes 4.2% of gross earnings for public employees, 3% for non-administrative fire employees, and none for uniformed police 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 2025	FY 2024	FY 2023
401 (k) Plan			
Employer contributions	\$ 1,447,821	\$ 1,317,438	\$ 1,219,276
Employee contributions	822,304	857,626	755,814
457 Plan			
Employer contributions	-	-	-
Employee contributions	378,862	404,015	324,791
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	232,755	188,344	143,397
Traditional IRA			
Employer contributions	N/A	N/A	N/A
Employee contributions	4,655	3,695	1,240



NOTE 17 – FUND BALANCE

Financial statement fund balance category details are as follows:

Fund Type	General Fund	Capital Projects Fund	RDA	Library	MBA	Cemetery	Total
Nonspendable							
Prepays	\$ 69,065	\$ -	\$ -	\$ 25,364	\$ -	\$ -	\$ 94,429
Endowment	-	-	-	20,118	-	-	20,118
Restricted							
Alcohol tax	153,954	-	-	-	-	-	153,954
Class C roads	3,920,949	-	-	-	-	-	3,920,949
Debt service	155	-	70	-	2,896	-	3,121
Low-income housing	-	-	2,972,037	-	-	-	2,972,037
Capital projects	-	-	-	-	19,624,463	-	19,624,463
Committed							
Cemetery perpetual care	-	-	-	-	-	1,669,325	1,669,325
Assigned							
Capital projects	-	32,026,270	-	-	-	-	32,026,270
Redevelopment	-	-	6,179,525	-	-	-	6,179,525
Library	-	-	-	7,252,406	-	-	7,252,406
MBA	-	-	-	-	1,287,042	-	1,287,042
Unassigned	16,181,468	-	-	-	-	-	16,181,468
	\$ 20,325,591	\$ 32,026,270	\$ 9,151,632	\$ 7,297,888	\$ 20,914,401	\$ 1,669,325	\$ 91,385,107

NOTE 18 – RECENT ACCOUNTING PRONOUNCEMENT AND CHANGE IN ACCOUNTING PRINCIPLE

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. The City has adopted and implemented this statement during the current fiscal year, but management has determined no accounting changes or error corrections were significant enough to merit a restatement.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, to improve the recognition and measurement of liabilities for compensated absences, including vacation, sick leave, and other paid leave benefits. During the fiscal year, the City implemented GASB 101. All leave policies were analyzed in relation to the new standard. The City also evaluated the effects of this implementation on the beginning compensated absences for fiscal year ended June 30, 2024, and determined that no significant or material adjustment to any reported fund or entity-wide activity were noted and, therefore, no restatement was required. As such, the impacts on the City's financial position, results of operations, and cash flows have been reported in the current year. The calculations were updated to match the standard and defined contributions were added to the salary related costs where necessary.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. GASB 102 is effective for fiscal years beginning after June 15, 2024. The City has adopted and implemented this standard by reviewing all revenues and expenditures to check for concentration or constraints risks which may limit the City's ability to acquire resources or control spending. There were no substantial concentrations of revenue sources or suppliers, nor are there any substantial constraints on the City's ability to provide services.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*, to improve key components of the financial reporting model to enhance its effectiveness. GASB 103 is effective for fiscal years beginning after June 15, 2025. The City is currently evaluating the impact of this statement on the financial statement and will implement for the year ending June 30, 2026.



**NOTE 18 – RECENT ACCOUNTING PRONOUNCEMENT AND CHANGE IN ACCOUNTING PRINCIPLE
(continued)**

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, to provide users of government financial statement with essential information about certain types of capital assets in order to make informed decisions. Statement 104 is effective for fiscal years beginning after June 15, 2025. The City is currently evaluating the impact of this statement on the financial statement and will implement for the year ending June 30, 2026.

NOTE 19 – SUBSEQUENT EVENTS

On July 1, 2025, the Vanwinkle 2 annexation was effective. The annexation which was requested by citizens within the area adds approximately 34 residential properties and 2 commercial buildings to Murray City. The estimated population increase is about 101 residents. The total taxable value of the area is \$26.6 million. The annexation will have a minimal impact on City services. Fire and police were already responding to the area due to proximity to Murray City. Water, wastewater, and garbage services remain with the existing providers. The area includes three public streets and two private streets.

On September 25, 2025, the renovated Murray Theater held its grand opening with a performance by Lauren Allred.

In October, at a cost of \$600,000 plus unused city land on Jensen Lane with a book value of \$170,00, the City purchased property at 120 E Vine Street. The land allows the business to relocate to a better location within Murray City. The property was purchased to become a parking lot for the Murray Theater.

REQUIRED SUPPLEMENTARY INFORMATION



For the Fiscal Year Ended June 30, 2025



**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	\$ 28,574,622	\$ 28,574,622	\$ 30,072,426	\$ 1,497,804
Property taxes	13,417,740	13,417,740	13,142,698	(275,042)
Franchise taxes	4,786,000	4,786,000	4,823,084	37,084
Licenses and permits	1,773,000	1,773,000	2,338,682	565,682
Intergovernmental	2,485,000	3,721,927	4,389,967	668,040
Charges for services	4,612,318	4,630,318	5,370,306	739,988
Fines and forfeitures	901,500	901,500	1,144,104	242,604
Miscellaneous	135,000	171,689	266,666	94,977
Investment income	791,000	856,068	1,017,239	161,171
Total revenues	57,476,180	58,832,864	62,565,172	3,732,308
EXPENDITURES				
Current:				
General government				
Community and economic development	2,247,492	2,395,810	2,256,950	138,860
Finance and administration	2,596,439	2,600,639	2,537,752	62,887
Human resources	327,639	327,639	304,305	23,334
Information Technology	2,054,681	2,061,993	1,833,289	228,704
Justice court	1,097,601	1,097,601	1,036,007	61,594
Legal	1,058,000	1,058,000	896,164	161,836
Legislative	369,885	369,885	333,554	36,331
Mayor	444,701	477,136	447,778	29,358
Non-departmental	424,919	424,919	399,871	25,048
Total general government	10,621,357	10,813,622	10,045,670	767,952
Public safety				
Fire department	12,215,562	13,101,410	12,887,165	214,245
Police department	17,560,200	17,888,452	17,203,922	684,530
Total public safety	29,775,762	30,989,862	30,091,087	898,775
Streets and public improvements				
Engineering	1,201,733	1,343,287	1,186,567	156,720
Streets and highways	4,507,249	6,013,921	3,684,012	2,329,909
Total streets and public improvements	5,708,982	7,357,208	4,870,579	2,486,629
Parks, recreation, and culture				
Parks and recreation	10,161,436	10,349,713	9,315,915	1,033,798
Cemetery	589,055	589,055	505,803	83,252
Total parks, recreation, and culture	10,750,491	10,938,768	9,821,718	1,117,050
Debt service				
Principal	858,150	858,150	858,150	-
Interest	214,603	214,603	214,507	96
Pledge payment - UTOPIA debt service	1,428,533	1,428,533	1,428,525	8
Total debt service	2,501,286	2,501,286	2,501,182	104
Total expenditures	59,357,878	62,600,746	57,330,236	5,270,510
Excess (deficiency) of revenues over expenditures	(1,881,698)	(3,767,882)	5,234,936	9,002,818
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Transfers in	4,785,025	4,785,025	4,753,594	(31,431)
Transfers out	(4,900,894)	(8,195,889)	(8,195,889)	-
Net other financing sources (uses)	(115,869)	(3,410,864)	(3,442,295)	(31,431)
Net change in fund balance	(1,997,567)	(7,178,746)	1,792,641	\$ 8,971,387
Fund balance, beginning of year	18,532,950	18,532,950	18,532,950	
Fund balance, end of year	\$ 16,535,383	\$ 11,354,204	\$ 20,325,591	



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Property taxes	\$ 3,197,953	\$ 3,197,953	\$ 656,808	\$ (2,541,145)
Intergovernmental	-	-	2,427,300	2,427,300
Miscellaneous	21,996	21,996	18,521	(3,475)
Investment income	388,000	388,000	464,588	76,588
Total revenues	<u>3,607,949</u>	<u>3,607,949</u>	<u>3,567,217</u>	<u>(40,732)</u>
<u>EXPENDITURES</u>				
Current:				
Streets and public improvements	2,861,247	3,261,247	2,655,914	605,333
Debt service				
Principal	370,000	370,000	370,000	-
Interest	178,900	178,900	194,000	(15,100)
Total expenditures	<u>3,410,147</u>	<u>3,810,147</u>	<u>3,219,914</u>	<u>590,233</u>
Excess of revenues over expenditures	<u>197,802</u>	<u>(202,198)</u>	<u>347,303</u>	<u>549,501</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of capital assets	-	-	116,061	116,061
Transfers in	325,000	325,000	325,000	-
Transfers out	(360,741)	(360,741)	(365,337)	(4,596)
Net other financing sources (uses)	<u>(35,741)</u>	<u>(35,741)</u>	<u>75,724</u>	<u>111,465</u>
Net change in fund balance	162,061	(237,939)	423,027	\$ 660,966
Fund balance, beginning of year	8,728,605	8,728,605	8,728,605	
Fund balance, end of year	<u>\$ 8,890,666</u>	<u>\$ 8,490,666</u>	<u>\$ 9,151,632</u>	



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Property taxes	\$ 2,836,960	\$ 2,836,960	\$ 2,723,084	\$ (113,876)
Intergovernmental	10,500	15,500	14,891	(609)
Fines and forfeitures	15,000	15,000	20,267	5,267
Miscellaneous	3,500	3,500	10,147	6,647
Investment income	265,000	265,000	371,587	106,587
Total revenues	3,130,960	3,135,960	3,139,976	4,016
EXPENDITURES				
Current:				
Parks, recreation, and culture	2,503,060	2,606,356	2,214,166	392,190
Total expenditures	2,503,060	2,606,356	2,214,166	392,190
Net change in fund balance	627,900	529,604	925,810	\$ 396,206
Fund balance, beginning of year	6,372,078	6,372,078	6,372,078	
Fund balance, end of year	\$ 6,999,978	\$ 6,901,682	\$ 7,297,888	



**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	\$ 3,102,959	\$ 3,102,959	\$ 3,088,272	\$ (14,687)
Investment income	10,000	10,000	809,146	799,146
Total revenues	3,112,959	3,112,959	3,897,418	784,459
EXPENDITURES				
Current:				
General government	66,000	127,425	79,706	47,719
Streets and public improvements	100,000	100,000	2,766	97,234
Capital outlay	19,107,000	21,085,964	1,633,267	19,452,697
Debt service				
Principal	765,000	765,000	765,000	-
Interest	2,331,959	2,331,959	2,331,959	-
Total expenditures	22,369,959	24,410,348	4,812,698	19,597,650
Excess (deficiency) of revenues over (under) expenditures	(19,257,000)	(21,297,389)	(915,280)	20,382,109
OTHER FINANCING SOURCES (USES)				
Transfers in	1,012,000	1,012,000	1,012,000	-
Net other financing sources (uses)	1,012,000	1,012,000	1,012,000	-
Net change in fund balance	(18,245,000)	(20,285,389)	96,720	\$ 20,382,109.0
Fund balance, beginning of year	20,817,681	20,817,681	20,817,681	
Fund balance, end of year	\$ 2,572,681	\$ 532,292	\$ 20,914,401	



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

MEASUREMENT DATE OF DECEMBER 31, 2024

JUNE 30, 2025

		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	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%
	2024	1.2390509%	3,929,174	11,798,327	33.30%	96.0%
Contributory System	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%
	2024	0.0000000%	-	-	0.00%	0.0%
Public Safety System	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%
	2024	2.2471353%	3,476,996	3,428,293	101.42%	93.3%
Firefighters System	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%
	2024	8.5339536%	(1,499,009)	3,546,753	-42.26%	104.6%
Tier 2 Public Employees System	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%
	2024	0.2779940%	826,717	8,211,788	10.07%	87.4%
Tier 2 Public Safety and Firefighter System	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%
	2024	1.2729626%	575,747	5,810,709	9.91%	90.10%

MURRAY CITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2025



SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS
JUNE 30, 2025

		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						
	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%
	2025	1,923,043	1,923,043	-	11,548,603	16.65%
Contributory System						
	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%
	2025	-	-	-	-	0.00%
Public Safety System						
	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%
	2025	1,042,046	1,042,046	-	3,277,017	31.80%
Firefighters System						
	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%
	2025	57,624	57,624	-	3,651,245	1.58%
Tier 2 Public Employees System **						
	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%
	2025	1,342,113	1,342,113	-	8,841,858	15.18%
Tier 2 Public Safety and Firefighter System						
	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%
	2025	1,360,533	1,360,533	-	6,397,229	21.27%
Tier 2 Public Employees DC Only System **						
	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%
	2025	79,830	79,830	-	1,501,351	5.32%
Tier 2 Public Safety and Firefighter DC Only System **						
	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%
	2025	32,113	32,113	-	716,513	4.48%

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



NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1- CHANGES IN ASSUMPTIONS

There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

NOTE 2- BASIS OF BUDGETING

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



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SUPPLEMENTARY INFORMATION



For the Fiscal Year Ended June 30, 2025



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Perpetual care fees	\$ 11,000	\$ 11,000	\$ 8,610	\$ (2,390)
Investment income	62,000	62,000	87,293	25,293
Total revenues	<u>73,000</u>	<u>73,000</u>	<u>95,903</u>	<u>22,903</u>
<u>EXPENDITURES</u>				
Current:				
Parks, recreation, and culture	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	73,000	73,000	95,903	\$ 22,903
Fund balance, beginning of year	<u>1,573,422</u>	<u>1,573,422</u>	<u>1,573,422</u>	
Fund balance, end of year	<u>\$ 1,646,422</u>	<u>\$ 1,646,422</u>	<u>\$ 1,669,325</u>	



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Intergovernmental	\$ 300,000	\$ 2,003,043	\$ 2,348,380	\$ 345,337
Impact fees	500,000	1,500,000	2,670,764	1,170,764
Miscellaneous	-	-	24,455	24,455
Investment income	1,294,000	1,319,000	1,543,463	224,463
Total revenues	2,094,000	4,822,043	6,587,062	1,765,019
<u>EXPENDITURES</u>				
Current:				
General government	345,000	581,830	220,717	361,113
Public safety	420,000	614,251	618,353	(4,102)
Streets and public improvements	1,105,000	3,661,870	3,616,254	45,616
Parks, recreation, and culture	2,045,000	3,793,314	346,781	3,446,533
Capital outlay	14,930,743	27,575,513	15,081,107	12,494,406
Total expenditures	18,845,743	36,226,778	19,883,212	16,343,566
Excess (deficiency) of revenues over expenditures	(16,751,743)	(31,404,735)	(13,296,150)	18,108,585
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of capital assets	-	-	118,775	118,775
Transfers in	4,700,894	7,995,888	8,000,485	4,597
Transfers out	(816,788)	(816,788)	(816,788)	-
Net other financing sources (uses)	3,884,106	7,179,100	7,302,472	123,372
Net change in fund balance	(12,867,637)	(24,225,635)	(5,993,678)	\$ 18,231,957.0
Fund balance, beginning of year	38,019,948	38,019,948	38,019,948	
Fund balance, end of year	\$ 25,152,311	\$ 13,794,313	\$ 32,026,270	



INTERNAL SERVICE FUNDS

Central Garage Fund

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

Retained Risk Fund

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



**STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS**

	Central Garage Fund	Retained Risk Fund	Total
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	\$ 174,674	\$ 2,004,338	\$ 2,179,012
Investments	-	228,376	228,376
Inventory	107,577	-	107,577
Prepaid items	-	425	425
Total current assets	282,251	2,233,139	2,515,390
Noncurrent assets			
Investments	-	668,348	668,348
Other assets	-	25,000	25,000
Capital assets			
Equipment	309,428	-	309,428
Less: Accumulated depreciation	(242,974)	-	(242,974)
Total noncurrent assets	66,454	693,348	759,802
Total assets	348,705	2,926,487	3,275,192
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension related	96,991	82,717	179,708
Total deferred outflows of resources	96,991	82,717	179,708
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable	4,617	23,993	28,610
Accrued liabilities	12,678	359,889	372,567
Compensated absences	38,096	13,623	51,719
Total current liabilities	55,391	397,505	452,896
Noncurrent liabilities			
Compensated absences	25,231	4,690	29,921
Net pension payable	72,744	62,039	134,783
Total noncurrent liabilities	97,975	66,729	164,704
Total liabilities	153,366	464,234	617,600
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related	298	254	552
Total deferred Inflows of resources	298	254	552
<u>NET POSITION</u>			
Net investment in capital assets	66,454	-	66,454
Unrestricted	225,578	2,544,716	2,770,294
Total net position	\$ 292,032	\$ 2,544,716	\$ 2,836,748



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

	Central Garage Fund	Retained Risk Fund	Total
<u>OPERATING REVENUES</u>			
Charges for services	\$ 655,139	\$ 1,939,504	\$ 2,594,643
Other	-	244,770	244,770
Total operating revenues	655,139	2,184,274	2,839,413
<u>OPERATING EXPENSES</u>			
Wages and benefits	562,724	369,067	931,791
Operations and maintenance	123,367	1,806,016	1,929,383
Depreciation	23,333	-	23,333
Total operating expenses	709,424	2,175,083	2,884,507
Operating income (loss)	(54,285)	9,191	(45,094)
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Investment income	9,121	109,574	118,695
Total nonoperating revenues (expenses)	9,121	109,574	118,695
Income (loss) before transfers	(45,164)	118,765	73,601
Transfers out	(63,000)	-	(63,000)
Change in net position	(108,164)	118,765	10,601
Total net position, beginning of year	400,196	2,425,951	2,826,147
Total net position, end of year	\$ 292,032	\$ 2,544,716	\$ 2,836,748



**STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

	Central Garage Fund	Retained Risk Fund	Total
Cash flows from operating activities			
Receipts from customers and users	\$ 655,139	\$ 2,184,274	\$ 2,839,413
Payments to suppliers of goods and services	(123,035)	(1,846,714)	(1,969,749)
Payments to employees for services	(543,039)	(353,569)	(896,608)
Net cash used by operating activities	(10,935)	(16,009)	(26,944)
Cash flows from noncapital financing activities			
Transfers to other funds	(63,000)	-	(63,000)
Net cash used by noncapital financing activities	(63,000)	-	(63,000)
Cash flows from investing activities			
Purchase of investments	-	(47,350)	(47,350)
Investment income	9,121	109,574	118,695
Net cash provided by investing activities	9,121	62,224	71,345
Net increase (decrease) in cash and cash equivalents	(64,814)	46,215	(18,599)
Cash and cash equivalents - beginning of year	239,488	1,958,123	2,197,611
Cash and cash equivalents - end of year	\$ 174,674	\$ 2,004,338	\$ 2,179,012
Reconciliation of operating income (loss) to net cash used by operating activities			
Operating income (loss)	\$ (54,285)	\$ 9,191	\$ (45,094)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:			
Depreciation and amortization	23,333	-	23,333
(Increase) decrease in receivables	-	-	-
(Increase) decrease in inventory, prepaids, and other assets	(3,096)	-	(3,096)
Increase (decrease) in liabilities	23,113	(25,200)	(2,087)
Net cash used by operating activities	\$ (10,935)	\$ (16,009)	\$ (26,944)



NONMAJOR PROPRIETARY FUNDS

Murray Parkway Recreation Fund

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

Solid Waste Fund

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

Telecom Fund

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



**STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS**

	Enterprise Funds			
	Murray Parkway Recreation Fund	Solid Waste Management Fund	Telecom Fund	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 2,893,053	\$ 2,109,243	\$ 70,089	\$ 5,072,385
Investments	-	-	15,245	15,245
Accounts receivable (net)	4,150	325,509	1,590	331,249
Notes receivable	-	-	14,797	14,797
Inventory	80,293	-	-	80,293
Total current assets	2,977,496	2,434,752	101,721	5,513,969
Noncurrent assets				
Restricted cash	1,500	-	-	1,500
Investments	-	-	44,614	44,614
Notes receivable	-	-	60,858	60,858
Investments in joint ventures	-	3,660,541	-	3,660,541
Capital assets				
Land	326,336	-	-	326,336
Construction in progress	-	239,584	-	239,584
Buildings	942,208	-	-	942,208
Improvements other than buildings	6,147,369	-	-	6,147,369
Equipment	1,747,521	455,774	-	2,203,295
Less: Accumulated depreciation	(6,791,432)	(359,329)	-	(7,150,761)
Total noncurrent assets	2,373,502	3,996,570	105,472	6,475,544
Total assets	5,350,998	6,431,322	207,193	11,989,513
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	160,403	45,537	-	205,940
Total deferred outflows of resources	160,403	45,537	-	205,940
LIABILITIES				
Current liabilities				
Accounts payable	127,026	167,061	-	294,087
Accrued liabilities	160,817	6,331	-	167,148
Interfund payable	515,532	-	-	515,532
Compensated absences	51,556	2,941	-	54,497
Notes payable	-	-	14,797	14,797
Customer deposits	1,500	-	-	1,500
Total current liabilities	856,431	176,333	14,797	1,047,561
Noncurrent liabilities				
Notes payable	-	-	60,858	60,858
Compensated absences	41,290	726	-	42,016
Net pension payable	120,305	34,153	-	154,458
Total noncurrent liabilities	161,595	34,879	60,858	257,332
Total liabilities	1,018,026	211,212	75,655	1,304,893
DEFERRED INFLOWS OF RESOURCES				
Pension related	494	140	-	634
Total deferred Inflows of resources	494	140	-	634
NET POSITION				
Net investment in capital assets	2,287,306	336,029	-	2,623,335
Unrestricted	2,205,575	5,929,478	131,538	8,266,591
Total net position	\$ 4,492,881	\$ 6,265,507	\$ 131,538	\$ 10,889,926



**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	\$ 2,168,496	\$ 2,570,859	\$ 35,864	\$ 4,775,219
Other	66,266	599	-	66,865
Total operating revenues	2,234,762	2,571,458	35,864	4,842,084
OPERATING EXPENSES				
Wages and benefits	1,023,927	206,832	-	1,230,759
Administrative fees	-	376,291	-	376,291
Operations and maintenance	544,969	1,865,114	38,979	2,449,062
Depreciation and amortization	287,092	38,618	-	325,710
Total operating expenses	1,855,988	2,486,855	38,979	4,381,822
Operating income (loss)	378,774	84,603	(3,115)	460,262
NONOPERATING REVENUES (EXPENSES)				
Investment income	119,808	98,253	6,394	224,455
Interest and fiscal charges	(13,783)	-	-	(13,783)
Equity in income of joint venture	-	246,825	-	246,825
Gain on disposal of assets	5,000	11,700	-	16,700
Total nonoperating revenues (expenses)	111,025	356,778	6,394	474,197
Income (loss) before transfers	489,799	441,381	3,279	934,459
Transfers in	230,500	292,288	-	522,788
Transfers out	-	(60,000)	-	(60,000)
Change in net position	720,299	673,669	3,279	1,397,247
Total net position, beginning of year	3,772,582	5,591,838	128,259	9,492,679
Total net position, end of year	\$ 4,492,881	\$ 6,265,507	\$ 131,538	\$ 10,889,926



**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	\$ 2,230,612	\$ 2,547,384	\$ 36,183	\$ 4,814,179
Payments to suppliers of goods and services	(491,024)	(1,853,261)	(39,206)	(2,383,491)
Payments to employees for services	(993,017)	(202,294)	-	(1,195,311)
Payment for interfund services	-	(376,291)	-	(376,291)
Net cash provided (used) by operating activities	<u>746,571</u>	<u>115,538</u>	<u>(3,023)</u>	<u>859,086</u>
Cash flows from noncapital financing activities				
Transfers from other funds	230,500	292,288	-	522,788
Transfers to other funds	-	(60,000)	-	(60,000)
Changes to interfund receivables and payables	(173,585)	-	-	(173,585)
Net cash provided by noncapital financing activities	<u>56,915</u>	<u>232,288</u>	<u>-</u>	<u>289,203</u>
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	5,000	11,700	-	16,700
Purchases of capital assets	(230,026)	(239,584)	-	(469,610)
Interest paid on capital debt	(13,783)	-	-	(13,783)
Net cash used by capital and related financing activities	<u>(238,809)</u>	<u>(227,884)</u>	<u>-</u>	<u>(466,693)</u>
Cash flows from investing activities				
Sale (purchase) of investments	-	-	(3,160)	(3,160)
Investment income	119,808	98,253	6,394	224,455
Net cash provided by investing activities	<u>119,808</u>	<u>98,253</u>	<u>3,234</u>	<u>221,295</u>
Net increase in cash and cash equivalents	684,485	218,195	211	902,891
Cash and cash equivalents - beginning of year	2,210,068	1,891,048	69,878	4,170,994
Cash and cash equivalents - end of year	<u>\$ 2,894,553</u>	<u>\$ 2,109,243</u>	<u>\$ 70,089</u>	<u>\$ 5,073,885</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 378,774	\$ 84,603	\$ (3,115)	\$ 460,262
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	287,092	38,618	-	325,710
(Increase) decrease in receivables	(4,150)	(24,074)	319	(27,905)
(Increase) decrease in inventory and prepaid items	(12,848)	-	-	(12,848)
Increase (decrease) in liabilities	97,703	16,391	(227)	113,867
Net cash provided (used) by operating activities	<u>\$ 746,571</u>	<u>\$ 115,538</u>	<u>\$ (3,023)</u>	<u>\$ 859,086</u>
Noncash investing, capital and financing activities				
Equity investment adjustment for net income	\$ -	\$ 246,825	\$ -	

STATISTICAL SECTION



For the Fiscal Year Ended June 30, 2025



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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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



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SCHEDULE 1 - NET POSITION BY COMPONENT

Last Ten Fiscal Years

Accrual basis of accounting

(Amounts expressed in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Net investment in capital assets	\$151,689	\$140,810	\$133,392	\$133,036	\$133,861	\$131,608	\$121,879	\$68,475	\$70,308	\$64,825
Restricted	8,062	10,264	7,667	4,823	3,566	2,141	8,495	8,859	5,616	4,030
Unrestricted	67,861	68,843	66,423	52,596	36,124	22,584	17,107	20,424	16,245	16,398
Total governmental net position	227,612	219,917	207,482	190,455	173,551	156,333	147,481	97,758	92,169	85,253
Business-type activities										
Net investment in capital assets	73,280	71,804	69,401	67,447	67,917	67,590	69,011	66,553	66,627	71,916
Restricted	337	287	273	263	265	269	1,546	1,919	2,803	296
Unrestricted	50,599	46,800	48,500	57,030	52,062	49,376	41,667	28,097	25,233	20,862
Total business-type net position	124,216	118,891	118,174	124,740	120,244	117,235	112,224	96,569	94,663	93,074
Primary government										
Net investment in capital assets	224,969	213,303	202,793	200,483	201,778	199,198	190,890	135,028	136,935	136,741
Restricted	8,399	10,551	7,940	5,086	3,831	2,410	10,042	10,778	8,419	4,326
Unrestricted	118,460	114,954	114,923	109,626	88,186	71,960	58,774	48,521	41,478	37,260
Total primary government net position	\$351,828	\$338,808	\$325,656	\$315,195	\$293,795	\$273,568	\$259,706	\$194,327	\$186,832	\$178,327



SCHEDULE 2 - CHANGE IN NET POSITION

Last Ten Fiscal Years

Accrual basis of accounting

(Amounts expressed in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental activities										
General government	\$14,235	\$12,609	\$10,193	\$7,198	\$8,610	\$10,547	\$11,048	\$8,858	\$8,988	\$8,192
Public safety	33,854	29,412	27,454	24,473	22,793	23,740	23,587	19,238	20,510	19,661
Streets and public improvements	14,108	11,469	12,165	8,864	8,775	8,798	7,993	6,253	6,842	6,870
Parks, recreation, and culture	13,715	12,920	12,081	9,675	9,084	9,058	9,158	9,931	8,682	8,444
Debt service - interest and fiscal charges	2,175	1,925	1,452	1,488	1,267	335	350	335	323	317
Total governmental expenses	<u>78,088</u>	<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>
Business-type activities										
Water	7,812	7,140	6,162	5,412	5,399	5,365	4,864	4,828	4,755	4,560
Wastewater	7,585	6,733	6,614	5,715	4,961	5,282	4,464	6,748	5,612	3,425
Power	43,965	44,262	47,748	34,733	36,986	32,730	31,635	32,142	32,080	32,429
Murray parkway	1,870	1,744	1,694	1,424	1,492	1,493	1,501	1,382	1,729	1,295
Telecom	39	43	44	56	60	77	72	83	68	84
Solid waste	2,487	2,385	2,200	2,106	2,012	1,945	1,714	1,616	1,571	1,323
Storm water	2,589	2,231	2,263	1,978	2,242	2,990	2,709	2,614	2,457	2,342
Total business-type activities expenses	<u>66,347</u>	<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>
Total primary government expenses	<u>\$144,435</u>	<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>
Program revenues										
Governmental activities										
Charges for services										
General government	\$6,864	\$5,050	\$5,208	\$3,471	\$3,200	\$3,360	\$5,534	\$3,159	\$3,545	\$3,680
Public safety	3,849	2,875	2,690	3,217	2,700	2,019	2,608	2,123	2,176	1,808
Streets & public improvements	-	-	-	-	-	-	1,810	-	-	-
Parks, recreation, and culture	2,195	2,145	1,996	1,823	1,236	1,387	1,988	1,779	1,777	2,025
Operating grants and contributions	6,342	6,934	8,751	8,102	8,326	6,019	-	2,527	2,638	2,514
Capital grants & contributions	5,819	4,529	5,361	1,056	4,714	3,616	4,780	429	2,239	1,496
Total governmental program revenues	<u>25,069</u>	<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>
Business-type activities										
Charges for services										
Water	8,412	7,282	7,129	6,451	7,426	7,286	6,046	5,751	5,802	5,476
Wastewater	8,857	8,389	8,061	6,038	5,369	5,092	4,833	4,743	4,878	4,815
Power	46,472	40,832	37,353	35,945	36,886	36,258	37,853	37,389	37,254	38,173
Murray parkway	2,235	2,096	1,743	1,726	1,643	1,426	1,254	1,252	1,180	1,274
Telecom	36	45	47	52	60	69	74	84	68	84
Solid waste	2,571	2,519	2,528	2,496	2,530	2,286	1,793	1,659	1,605	1,485
Storm water	3,524	3,222	2,968	2,678	2,362	1,915	1,918	1,879	1,650	1,641
Operating grants & contributions	-	-	-	1,177	193	25	-	-	-	-
Capital grants & contributions	1,779	1,767	1,910	2,096	1,771	1,794	3,309	256	702	167
Total business-type program revenues	<u>73,886</u>	<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>
Total primary government program revenues	<u>\$98,955</u>	<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>
Net (expense)/revenue										
Governmental activities	<u>\$(53,019)</u>	<u>\$(46,802)</u>	<u>\$(39,340)</u>	<u>\$(34,029)</u>	<u>\$(30,353)</u>	<u>\$(36,077)</u>	<u>\$(35,416)</u>	<u>\$(34,598)</u>	<u>\$(32,970)</u>	<u>\$(31,961)</u>
Business-type activities	<u>7,538</u>	<u>1,614</u>	<u>(4,986)</u>	<u>7,235</u>	<u>5,088</u>	<u>6,269</u>	<u>10,121</u>	<u>3,600</u>	<u>4,867</u>	<u>7,657</u>
Total primary government net expense	<u>\$(45,481)</u>	<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>



SCHEDULE 2 - CHANGE IN NET POSITION (continued)

Last Ten Fiscal Years

Accrual basis of accounting

(Amounts expressed in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General revenues & other changes in net position										
Governmental activities										
Taxes										
Sales taxes	\$30,072	\$29,413	\$29,170	\$28,839	\$25,403	\$22,327	\$20,769	\$20,320	\$19,434	\$17,596
Property taxes	16,523	16,054	15,415	13,737	13,693	13,194	13,475	10,996	11,093	11,031
Franchise taxes	4,823	4,987	4,962	4,444	4,208	4,301	4,459	4,630	4,666	4,794
Investment income	4,412	4,408	2,821	46	318	937	1,007	455	391	232
Gain/(loss) on sale & disposal of assets	-	63	8	57	48	64	69	(2)	57	82
Miscellaneous	234	311	157	219	253	402	260	292	608	417
Rent, transfers & miscellaneous	4,650	4,001	3,834	3,591	3,648	3,704	1,374	3,599	3,638	3,231
Total governmental activities	<u>60,714</u>	<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>
Business-type activities										
Investment income	1,525	1,796	1,346	151	265	1,035	1,076	626	408	383
Equity investment income	819	1,230	892	642	1,226	1,384	1,173	-	-	-
Gain/(loss) on sale & disposal of assets	93	78	16	59	78	27	83	(105)	3	90
Rent & transfers	(4,650)	(4,001)	(3,834)	(3,591)	(3,648)	(3,704)	(1,374)	(3,599)	(3,638)	(3,231)
Total business-type activities	<u>(2,213)</u>	<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>
Total primary government	<u>\$58,501</u>	<u>\$58,340</u>	<u>\$54,787</u>	<u>\$48,194</u>	<u>\$45,492</u>	<u>\$43,671</u>	<u>\$42,371</u>	<u>\$37,212</u>	<u>\$36,660</u>	<u>\$34,625</u>
Change in net position										
Governmental activities	\$7,696	\$12,435	\$17,027	\$16,904	\$17,218	\$8,852	\$5,997	\$5,692	\$6,917	\$5,422
Business-type activities	5,325	717	(6,566)	4,496	3,009	5,011	11,079	522	1,640	4,899
Total primary government	<u>\$13,021</u>	<u>\$13,152</u>	<u>\$10,461</u>	<u>\$21,400</u>	<u>\$20,227</u>	<u>\$13,863</u>	<u>\$17,076</u>	<u>\$6,214</u>	<u>\$8,557</u>	<u>\$10,321</u>

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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General fund										
Nonspendable	\$69	\$7	\$43	\$3	\$23	\$13	\$13	\$52	\$129	\$173
Restricted	4,075	2,631	1,835	1,274	166	121	58	121	340	104
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	16,182	15,895	15,725	13,468	12,562	11,758	11,382	10,164	8,797	9,280
Total general fund	<u>\$20,326</u>	<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>
All other governmental funds										
Nonspendable	\$45	\$47	\$45	\$106	\$782	\$39	\$681	\$35	\$39	\$36
Restricted	22,600	25,908	10,611	24,798	32,769	2,020	8,438	8,651	5,260	3,926
Committed	1,669	1,573	1,478	1,405	1,416	1,399	1,349	1,433	1,420	1,354
Assigned	46,745	47,984	42,635	37,452	26,967	18,227	13,436	14,193	12,016	10,999
Total all other governmental funds	<u>\$71,059</u>	<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>



SCHEDULE 4 - CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Modified accrual basis of accounting
(Amounts expressed in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Taxes & special assessments	\$51,418	\$50,454	\$49,547	\$47,020	\$43,304	\$39,822	\$38,703	\$35,946	\$35,193	\$33,421
Licenses & permits	2,339	1,910	2,110	2,339	2,205	2,171	1,830	1,776	2,088	1,989
Impact Fees ²	2,671	1,185	2,344	110	-	-	-	-	-	-
Intergovernmental	9,181	9,229	10,360	8,506	11,583	5,999	6,018	2,709	3,974	3,372
Charges for services	5,379	4,884	4,674	4,416	3,387	3,292	3,785	3,720	3,479	3,419
Fines & forfeitures	1,164	1,043	1,043	918	817	1,044	1,287	1,245	1,347	1,623
Emergency 911 Fees ¹	-	-	-	-	-	-	-	-	475	466
Miscellaneous	3,408	2,196	2,050	286	319	480	417	292	608	418
Investment income	4,293	4,274	2,742	57	307	885	949	426	371	220
Total revenues	79,853	75,175	74,870	63,652	61,922	53,693	52,989	46,114	47,535	44,928
Expenditures										
General government	10,346	9,827	9,287	6,801	6,756	7,700	8,240	6,767	6,659	6,374
Public safety	30,709	28,164	26,644	24,598	22,989	22,145	21,674	18,597	18,993	18,371
Streets & public improvements	11,146	8,858	9,853	6,900	6,563	6,320	5,645	4,220	4,598	4,790
Parks, recreation and culture	12,372	12,052	11,652	9,725	8,436	7,859	7,951	9,106	7,579	7,660
Capital outlay	16,725	14,010	22,606	17,342	11,910	12,281	9,187	7,720	12,603	5,910
Debt service										
Principal	1,993	1,806	1,724	1,003	815	790	771	511	4,376	2,008
Interest	2,740	1,655	1,717	1,707	1,093	475	499	434	420	349
Bond issuance costs	-	207	-	43	279	-	-	-	-	-
Pledge payment - UTOPIA	1,429	1,429	1,428	1,892	1,855	1,819	1,783	1,748	1,714	1,680
Total expenditures	87,460	78,008	84,911	70,011	60,696	59,389	55,750	49,103	56,942	47,142
Excess of revenues over (under)										
expenditures	(7,607)	(2,833)	(10,041)	(6,359)	1,226	(5,696)	(2,761)	(2,989)	(9,407)	(2,214)
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	14,091	15,071	15,648	24,078	16,503	13,064	11,263	17,048	9,632	8,583
Transfers out	(9,378)	(11,070)	(11,814)	(20,487)	(12,855)	(9,304)	(7,873)	(13,448)	(5,694)	(5,346)
Sales of capital assets	235	104	63	57	48	156	78	40	77	82
Total other financing sources (uses)	4,948	24,507	3,905	10,181	39,882	3,916	3,468	9,538	11,536	3,319
Net change in fund balances	\$(2,659)	\$21,674	\$(6,136)	\$3,822	\$41,108	\$(1,780)	\$707	\$6,549	\$2,129	\$1,105
Debt service as a % of noncapital expenditures	8.71%	7.64%	7.81%	8.74%	7.71%	6.55%	6.56%	6.51%	14.68%	9.79%

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
2025	\$15,865,782	\$3,084,108	\$29,811,395	\$4,823,084	\$261,031	\$53,845,400
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

*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. In FY 2025 the City passed a 5% 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
2024	2025	\$8,485,350,945	\$12,606,159,153	67.31%	0.001483	0.000309
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

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
2024	2025	0.001483	0.000309	0.004541	0.001297	0.000147	0.000400
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

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 ¹	Total Collections to Date	
			Amount ¹	Percentage of Levy		Amount	Percentage of Levy
2024	2025	\$ 12,367,740	\$11,883,211	96.08%	\$ -	\$11,883,211	96.08%
2023	2024	11,451,172	11,104,770	96.97%	39,549	11,144,319	97.32%
2022	2023	10,905,878	10,731,915	98.40%	55,675	10,787,589	98.92%
2021	2022	9,425,959	9,150,898	97.08%	42,508	9,193,406	97.53%
2020	2021	9,298,286	9,014,488	96.95%	54,501	9,068,989	97.53%
2019	2020	9,188,763	8,840,996	96.22%	80,972	8,921,968	97.10%
2018	2019	9,096,000	8,826,999	97.04%	109,153	8,936,152	98.24%
2017	2018	6,173,908	5,957,805	96.50%	68,551	6,026,355	97.61%
2016	2017	6,081,431	5,879,197	96.67%	74,278	5,953,475	97.90%
2015	2016	6,044,982	5,748,539	95.10%	73,363	5,821,902	96.31%

Source: Salt Lake County Treasurer

- (1) Prior to this ACFR, Amounts Collected in Current Year included personal property tax and Collections in Subsequent Years included interest. Amounts Collected in Current Year now only include real property tax and interest has been removed from Collections in Subsequent Years.



SCHEDULE 9 - PRINCIPAL PROPERTY TAXPAYERS
For Years Ended June 30, 2025 and 2016

Taxpayer	Business Type	2025			2016		
		Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Fashion Place SA LLC	Retail	\$378,816,700	1	4.2%	\$89,690,700	1	2.4%
IHC Health Services 5121 S Cottonwood	Office	110,542,140	2	1.2%	74,212,630	2	2.0%
IHC Health Services 5848 S Fashion Blvd	Office	67,170,330	3	0.7%			
Streit Avida LLC	Housing	61,266,414	4	0.7%			
900 East Ivy Place LLC	Retail	57,165,350	5	0.6%			
Mig Cobble Creek, LLC	Housing	47,985,685	6	0.5%	18,991,280	7	0.5%
Acension LLC	Office	45,649,300	7	0.5%			
Stillwater Property Owner LLC	Housing	43,886,040	8	0.5%	23,435,500	4	0.6%
Murray Crossing LLC	Housing	41,856,029	9	0.5%			
5300 Development LLC	Office	41,716,023	10	0.5%			
The Pointe @ 53rd	Retail		11		28,919,700	3	0.8%
IHC Health Services 5383 S Green Street	Office		23		22,521,590	5	0.6%
Dillard's	Retail		-		21,658,900	6	0.6%
5300 South Center LLC	Office		32		18,338,060	8	0.5%
Bridge Office Building SLC LP -Temkin	Office		34		15,434,600	9	0.4%
James Pointe	Housing		15		14,782,680	10	0.4%
		<u>\$896,054,011</u>		<u>9.8%</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, 2025 and 2016

Taxpayer	2025		2016	
	Rank	Percentage of Total City Sales Taxes	Rank	Percentage of Total City Sales Taxes
Retail	1	7.45%	1	8.41%
Vehicle Sales	2	3.62%	2	3.22%
Retail	3	2.93%	9	2.20%
Online Retailer	4	2.60%		
Vehicle Sales	5	2.54%	8	2.24%
Vehicle Sales	6	2.42%	12	1.79%
Retail	7	2.25%	10	2.07%
Vehicle Sales	8	2.13%	4	2.54%
Manufacturing	9	1.74%		
Vehicle Sales	10	1.66%	7	2.27%
Vehicle Sales	11	1.63%	5	2.52%
Retail	12	1.62%	3	2.86%
Vehicle Sales	13	1.58%	11	1.81%
Online Retailer	14	1.32%		
Retail	15	1.19%		
Retail	16	1.15%	13	1.69%
Retail	17	1.13%	16	1.33%
Vehicle Sales	18	1.08%		
Retail	19	1.03%	18	1.11%
Govt	20	1.01%	17	1.30%
Retail			6	2.36%
Vehicle Sales			14	1.35%
Retail			15	1.34%
Vehicle Sales			19	1.11%
Vehicle Sales			20	1.03%
		<u>42.08%</u>		<u>44.55%</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
2025	1.20%	1.40%	4.85%
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%

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	Subscriptions	Revenue Bonds	Subscriptions			
2025	\$66,733,240	\$14,010	\$105,380	\$31,025,528	\$221,225	\$98,099,383	2.36%	\$1,889
2024	68,979,208	17,981	134,559	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

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	\$ 15,585,000	100.00%	\$ 15,585,000
Salt Lake County General Obligation Debt	87,700,000	4.590%	4,025,430
Other debt			
Salt Lake County Sales Tax Bonds	94,900,000	4.18%	3,966,820
Salt Lake County Direct placement STR Bonds	27,800,000	4.18%	1,162,040
Salt Lake County Lease Revenue Bonds	64,500,000	4.18%	2,696,100
Salt Lake County Capital Leases	2,800,000	4.18%	117,040
Salt Lake County Subscription Liabilities	9,100,000	4.18%	380,380
Salt Lake County Transportation Rev. Bonds	34,100,000	4.18%	1,425,380
Salt Lake County Notes Payable	45,200,000	4.18%	1,889,360
Murray City Schools Lease Revenue Bonds	2,430,000	100.00%	2,430,000
Subtotal, overlapping debt			33,677,550
Murray City direct debt			66,852,630
Total direct and overlapping debt			<u>\$ 100,530,180</u>

Sources: Murray School District and Salt Lake County ACFR(s) for the latest available fiscal year (FY 2024)

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 2024 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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt limit										
General (4% Fair Cash Value)	\$504,246	\$468,467	\$450,819	\$359,780	\$333,574	\$307,914	\$281,730	\$258,182	\$237,794	\$219,104
Water and Sewer (4% Fair Cash Value)	504,246	468,467	450,819	359,780	333,574	307,914	281,730	258,182	237,794	219,104
Total 8% Debt Limit	1,008,493	936,934	901,638	719,560	667,149	615,827	563,460	516,365	475,588	438,207
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$1,008,493</u>	<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>
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	\$8,485,351									
Estimated Actual Real Taxable Value	\$12,606,159									
Debt Limit (8% of Reasonable Fair Cash Value)	1,008,493									
Debt Applicable to Limit:										
General Obligation Bonds	-									
Less: Amount Set Aside for Repayment of General Obligation Debt	<u>-</u>									
Total Net Debt Applicable to Limit	<u>-</u>									
Legal Debt Margin	<u>\$1,008,493</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		
2025	\$30,072,426	\$1,195,000	\$402,703	18.82	
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	

Lease Revenue Bonds					
Fiscal Year	Lease Revenue ¹	Debt Service		Coverage	
		Principal	Interest		
2025	\$3,102,959	\$765,000	\$2,331,959	1.00	
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		Coverage
				Principal	Interest	
2025	\$47,313,671	\$41,955,557	\$5,358,114	\$ -	\$ -	N/A
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

Water and Sewer Revenue Bonds						
Fiscal Year	Utility Revenues ²	Less Utility Expenses ³	Total Available Revenue	Debt Service		Coverage
				Principal	Interest	
2025	\$18,255,776	\$13,106,072	\$5,149,704	\$136,000	\$114,265	20.58
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

References:

- (1) Lease revenue was not received until FY2023 when the first principal payment was made.
- (2) Revenues include operating and non-operating revenues.
- (3) Expenses exclusive of depreciation, amortization, loss in joint venture, interest expense, and in lieu of tax transfers.

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



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

Storm Water Revenue Bonds						
Fiscal Year	Utility Revenues ²	Less Utility Expenses ³	Total Available Revenue	Debt Service		Coverage
				Principal	Interest	
2025	\$3,643,516	\$2,004,417	\$1,639,099	\$270,000	\$104,650	4.38
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

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
2025	51,924	\$4,163,889,408	\$80,192	3.4%
2024	49,553	3,758,049,967	75,839	3.2%
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%

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, 2025 and 2016

Employer	Industry Type	2025		2016	
		Rank	Employees	Rank	Employees
Intermountain Medical Center	Health Care - Hospital	1	6999*	1	4463
SelectHealth	Health Care- Insurance	2	1999*	2	1400
Murray City School District	Public Education	3	1367	3	863
IHC Health Services - TOSH	Health Care - Hospital	4	999*	8	347
Murray City Corporation	City Government	5	765	4	715
IHC Health Services	Health Care - Medical Lab	6	378	5	378
Costco Wholesale Corp	Retailer	7	368	7	349
Valley Center Towers	Health Care - Medical Offices	8	250*		
Finicity	Financial Services	9	234		
Ivory Employee Leasing Corp	Equipment Rental and Leasing	10	192		
Sutter Connect, LLC	Health Care - Medical Offices			9	322
Nordstrom, Inc.	Retailer			10	298

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

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



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

Function/Program	Full Time Equivalent Employees as of June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government	61	59	59	58	63	60	57	68	64	63
Police										
Officers	83	83	80	82	79	80	83	76	78	76
Civilians	10	10	11	11	11	11	8	9	9	11
Fire										
Firefighters	69	67	63	64	63	62	59	63	62	63
Civilians	2	1	1	1	2	2	2	1	1	1
Streets & Public Improvements	24	24	23	21	21	30	31	28	29	27
Parks & Recreation	44	44	41	42	43	35	37	35	38	35
Library	12	11	11	12	10	11	9	11	12	11
Community & Economic Development	17	16	14	14	14	7	7	6	6	7
Central Garage	5	5	4	3	4	4	4	4	4	4
Power	49	48	50	49	46	47	46	46	45	46
Water	22	22	23	24	21	21	18	17	17	17
Wastewater	9	9	9	9	9	8	7	8	8	7
Golf Course	6	6	6	6	6	6	6	6	7	7
Solid Waste	2	1	1	2	2	2	2	2	2	1
Storm Water	9	9	9	8	9	8	7	8	8	7
Total Full Time Equivalent Employees	424	415	405	406	403	394	383	388	390	383
Seasonal (Part Time) Employees	341	304	298	256	234	166	315	305	332	424
Total Employees	765	719	703	662	637	560	698	693	722	807

Source – Murray City Payroll System



SCHEDULE 19 – OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function/Program	Fiscal Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Police										
Physical arrests	893	881	1,003	1,035	598	478	1,733	2,997	1,897	3,602
Traffic citations	4,458	3,444	2,901	2,800	2,411	1,951	5,383	9,378	7,438	5,242
Fire calls	1,411	1,262	1,228	1,119	1,245	1,203	1,282	1,458	1,381	1,354
Medical calls	5,488	5,643	5,859	5,801	4,955	4,856	4,934	5,339	5,125	4,842
Inspections ^{1, 5}	1,093	1,286	1,317	979	883	1,799	1,633	1,249	1,553	1,399
Parks & recreation ¹										
Park center admissions	44,670	57,139	63,928	56,846	30,600	34,393	45,636	42,255	39,164	36,211
Outdoor pool admissions	30,832	32,602	23,763	25,502	20,260	29,333	31,364	N/A	N/A	N/A
Recreation participants	18,831	19,407	18,294	17,672	16,569	9,916	15,200	16,730	17,583	17,604
Heritage Center ¹										
Participants	1,706	1,703	1,651	1,386	616	1,375	1,627	1,525	1,478	1,734
Activity Participation	79,623	81,999	73,370	67,639	15,816	53,530	73,045	71,712	73,752	76,841
Library ¹										
Volumes in collection	100,851	92,399	84,938	86,929	81,005	61,899	91,001	69,477	71,133	75,914
Total volumes borrowed	368,828	354,258	341,179	309,945	203,248	332,472	461,920	475,394	499,292	548,060
Visitors	131,087	110,878	67,814	51,229	7,862	218,277	317,717	346,685	371,330	395,481
Water ⁴										
Customers Residential	8,989	8,973	8,953	8,893	9,031	9,064	8,929	8,912	8,858	8,761
Customers Commercial	1,277	1,248	1,284	1,400	1,436	1,551	1,527	1,516	1,493	1,389
Annual consumption (in hundred cubic feet) ²	3,658	3,335	3,224	2,497	3,001	3,976	3,206	2,834	2,827	2,758
Wastewater ³										
Customers Residential	8,429	8,403	8,482	8,422	8,563	8,600	8,520	8,450	8,419	8,376
Customers Commercial	995	1,005	1,029	1,032	1,081	1,203	1,196	1,187	1,171	1,163
Power										
Customers Residential	17,801	16,883	16,696	16,321	16,211	15,426	15,098	14,819	14,651	14,688
Customers Commercial	3,454	3,442	3,469	3,236	3,247	3,381	3,066	3,247	3,204	3,179
Peak demand (KW)	101,260	98,460	100,770	102,045	98,206	100,105	102,938	102,290	103,053	102,460
Internal generation (MWH)	39,272	33,885	17,867	17,761	8,651	13,531	14,691	9,845	11,457	13,846
Purchased power (MWH)	371,788	369,445	389,106	387,297	406,019	390,797	396,363	410,237	415,474	416,299

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) In the FY24 ACFR, the inspections were overstated based on Life Safety reports which are not inspections. Revised number shown for FY24.



SCHEDULE 20 – CAPITAL ASSETS BY FUNCTION
Last Ten Fiscal Years

Function/Program	Fiscal Year Ending June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	46	46	44	42	43	43	43	43	44	43
Public works										
Streets(miles)	153	152	152	152	151	151	150	148	148	147
Streetlights	3,267	3,237	3,245	3,064	2,946	2,739	2,739	2,754	2,711	2,701
Streetlights – LED ³	421	224	205	135	131	76	76	-	-	-
Parks & recreation										
Acreage ¹	270	270	270	254	254	254	254	254	252	252
Parks ¹	14	14	14	12	12	12	12	11	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)	198	197	196	194	194	193	193	197	199	198
Wastewater ²										
Sanitary sewers(miles)	136	136	135	135	134	133	133	131	132	129
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.
- (3) In FY 2025, the Power Department began the process of replacing streetlights with LED lights to conserve on energy.

COMPLIANCE SECTION



For the Fiscal Year Ended June 30, 2025



COMMITTED. EXPERIENCED. TRUSTED.

PARTNERS

MICHAEL L. SMITH, CPA
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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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 16, 2025.

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.

NBMC, LLC

October 16, 2025
Bountiful, Utah



COMMITTED. EXPERIENCED. TRUSTED.

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

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

Report On Compliance

We have audited Murray City Corporation's (the City) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2025.

State compliance requirements were tested for the year ended June 30, 2025 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Restricted Taxes and Related Restricted Revenues
- Fraud Risk Assessment
- Government Fees
- Impact Fees
- Utah Retirement Systems
- Public Treasurer's Bond

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, 2025.

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 *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

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 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, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

NBMC, LLC

October 16, 2025
Bountiful, Utah