

**MIDVALE CITY CORPORATION
RESOLUTION 2023-R-47**

**A RESOLUTION ACKNOWLEDGING COMPLETION AND RECEIPT
OF ANNUAL AUDIT.**

Whereas, pursuant to section 10-6-151 of the Utah Code, Midvale City is required to have an independent audit in conformity with Title 51, Chapter 2a, Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local Entities Act; and

Whereas, pursuant to section 10-6-152 of the Utah Code, within ten (10) days following receipt of the independent audit, the City is required to publish notice advising the public that the audit is complete and available for inspection; and

Whereas, the City retained Keddington & Christensen L.L.C., to do an independent audit of the City's accounts for fiscal year 2022-2023; and

Whereas, Keddington & Christensen L.L.C. has completed the independent audit of the City's accounts for fiscal year 2022-2023; and

Whereas, Keddington & Christensen L.L.C., has presented the independent audit to the Mayor and Midvale City Council; and

Whereas, the Midvale City Council wants to acknowledge receipt of the completed audit and order that notice be published pursuant to section 10-6-152 of the Utah Code.

Now therefore be it resolved, by the Midvale City Council as follows:

It hereby acknowledges that the independent audit of the City's accounts for fiscal year 2022-2023 has been completed by Keddington & Christensen L.L.C., and submitted to the Midvale City Council. As required by section 10-6-152 of the Utah Code, the City Recorder is directed to publish notice, advising the public that the independent audit is complete and available for inspection.


This resolution shall become effective immediately upon passage thereof.

Passed and adopted by the City Council of Midvale City, State of Utah, this 6th day of December, 2023.



Marcus Stevenson, Mayor

ATTEST:



Rori L. Andreason, MMC
City Recorder



Voting by the City Council: "Aye"

"Nay"

Dustin Gettel	<input checked="" type="checkbox"/>	_____
Paul Glover	<input checked="" type="checkbox"/>	_____
Quinn Sperry	<input checked="" type="checkbox"/>	_____
Heidi Robinson	<input checked="" type="checkbox"/>	_____
Bryant Brown	<input checked="" type="checkbox"/>	_____

ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2023

2023



Midvale City, Utah

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Midvale City
State of Utah

Annual Comprehensive Financial Report
For the Fiscal Year Ended
June 30, 2023

PREPARED BY THE FINANCE DEPARTMENT

MARIAH HILL, ADMINISTRATIVE SERVICES DIRECTOR

CHRISTIAN LARSEN, SENIOR ACCOUNTANT

KAREN KESTER, CITY TREASURER

PAUL RAMIREZ, ACCOUNTANT

Midvale City, Utah
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

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INTRODUCTORY SECTION





7505 South Holden Street
Midvale, UT 84047
Phone (801) 567-7200
www.midvalecity.org

December 5, 2023

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

The Finance Department of Midvale City is pleased to present the Annual Comprehensive Financial Report (ACFR) for Midvale City Corporation for the year ended June 30, 2023.

Utah law requires that all local governments publish, within six months of the close of the fiscal year, a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards by a firm of licensed Certified Public Accountants. This Annual Comprehensive Financial Report is hereby issued and submitted to you in accordance with these requirements.

The report consists of management's representations concerning the finances of Midvale City. Management assumes full responsibility for the completeness and reliability of the information presented herein. To provide a reasonable basis for making these representations, management has established an internal control framework that is designed to both protect the assets of the City from loss, theft, or misuse and to allow for the compiling of 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 internal control procedures have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of management's knowledge and belief, this financial report is complete and reliable in all material respects.

K&C, Certified Public Accountants, has audited Midvale City's financial statements. The goal of an independent audit is to provide reasonable assurance that the City's financial statements, for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

GAAP require that the 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 MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

The financial reporting entity (the City) includes all funds of the primary government (i.e., the City as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities

are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Midvale City Redevelopment Agency (RDA) and Midvale City Municipal Building Authority (MBA) are reported in this ACFR as special revenue funds.

In addition to the basic financial statements, the ACFR includes a statistical section which provides a ten-year history of detailed information as a context for understanding the City's overall financial health.

PROFILE OF THE GOVERNMENT

Midvale City was incorporated in 1909. The City is governed using a Mayor/Council form of government. Legislative powers are vested in the five-member Council, while executive powers lie with the Mayor. The Mayor is elected to serve the citizens at large; the Council Members are elected by voting districts. All elected officials serve four-year terms which are staggered every two years. The elections are on a non-partisan basis. The City Manager is responsible for day-to-day operations and managing the employees of the City.

The City provides the full range of municipal services normally associated with a municipality. In brief, the general government functions include park construction and maintenance, street reconstruction and maintenance, public improvements, engineering, building inspection, planning and zoning, and administrative services. The City also operates water distribution, sewer collection and treatment, storm water maintenance, waste collection, and street lighting services. Police services are provided by the Unified Police Department of Greater Salt Lake (UPD) and fire services are provided by the Unified Fire Authority (UFA).

With a current population of approximately 35,637, the City lies in the middle of Salt Lake County, with the state's capitol, Salt Lake City, located approximately 11 miles north. Midvale provides commuter access via Interstates 15 and 215, State Street, and Fort Union Boulevard. Utah Transit Authority provides bus and light rail service, with three light-rail stations within Midvale's boundaries. The geographic area of the City is 5.93 square miles.

FACTORS AFFECTING FINANCIAL CONDITION

Midvale has a robust retail base. Sales tax revenue makes up 51 percent of General Fund revenues, and property tax constitutes 13 percent of General Fund revenues. While the stability of sales tax revenue is less predictable than property tax, the advantage to the City is the ability to delay property tax increases and provides the flexibility to increase property tax as needed if or when sales tax revenue declines. The state of Utah's property tax formula provides the City the same amount of revenue as the prior year, plus any new growth that occurs in the City. The formula does not have any provisions for cost of living or inflationary increases.

Over the past ten years, General Fund revenues have increased from \$15,251,660 to \$23,968,744, and general fund expenditures have increased from \$12,278,872 to \$19,463,396. Revenues have increased due to additional development in Midvale (mainly Jordan Bluffs, as discussed below), and expenditures have increased to provide services to additional residences and businesses.

One of three Redevelopment Project Areas in the City, Bingham Junction, consists of 390 acres in the northwest corner of the City. The collaborative efforts of Midvale City, private developers, and the Redevelopment Agency of the City (RDA) have turned this former brownfield site into a successful model for redevelop-

pment. Bingham Junction is substantially built-out with a mix of commercial, residential, and retail establishments.

The second project area, Jordan Bluffs, consists of 268 acres and is in the southwest corner of the City. The Jordan Bluffs project area and surrounding property encompasses nearly 10% of Midvale City's total area and represents a significant opportunity to redevelop the former smelter property into a successful project with a positive contribution to the community. In 2015, the RDA entered into an Option to Purchase Agreement with the current owners of this former Sharon Steel superfund site. The purpose of the agreement was to allow the Agency to perform due diligence and market the site for sale and development. In November 2017, the option was transferred to Gardner Development and they purchased the property. Gardner commenced construction of the backbone infrastructure in 2018, which included an extension of Bingham Junction Boulevard. Vertical construction commenced in 2018 with the Wasatch residential development. In the summer of 2022 Zions Bancorporation completed a new 400,000 square foot banking technological campus in the northwest portion of the Jordan Bluffs project area.

The third project area is Main Street. The RDA is excited to have created a new project area which incorporates Midvale's historic Main Street, as well as the surrounding residential and commercial areas. This area is an integral component to the vitality and history of Midvale. Recent changes have added new value and activity to the neighborhoods around Main Street and will continue to do so as redevelopment continues.

LONG-TERM FINANCIAL PLANNING

Midvale City uses a long-term strategic planning model to enhance the annual budget process and work towards maintaining and improving all infrastructure systems. It is the policy of the Council to maintain General Fund reserves at or above fifteen percent of operating revenue. Additionally, no encumbrance or expenditure shall be made in excess of total departmental appropriations in the budget without the prior written approval of the Council. The City undertook long-term fee rate studies for the water and sewer utilities in fiscal year 2021. Long-term fee rate studies for storm water, building, and planning fees were started in fiscal year 2022 and will be completed in fiscal year 2024.

ACKNOWLEDGEMENTS

While the entire City Staff has contributed to the timely and efficient preparation of this report, special thanks are due to the Finance department. We also appreciate the professionalism of our auditors and their assistance in drafting and proofreading the ACFR. Finally, thank you to our Mayor, City Council, City Manager, Assistant City Manager, and Department Heads for their dedication to making Midvale City great.

Sincerely,



Mariah Hill
Administrative Services Director/Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Midvale City
Utah**

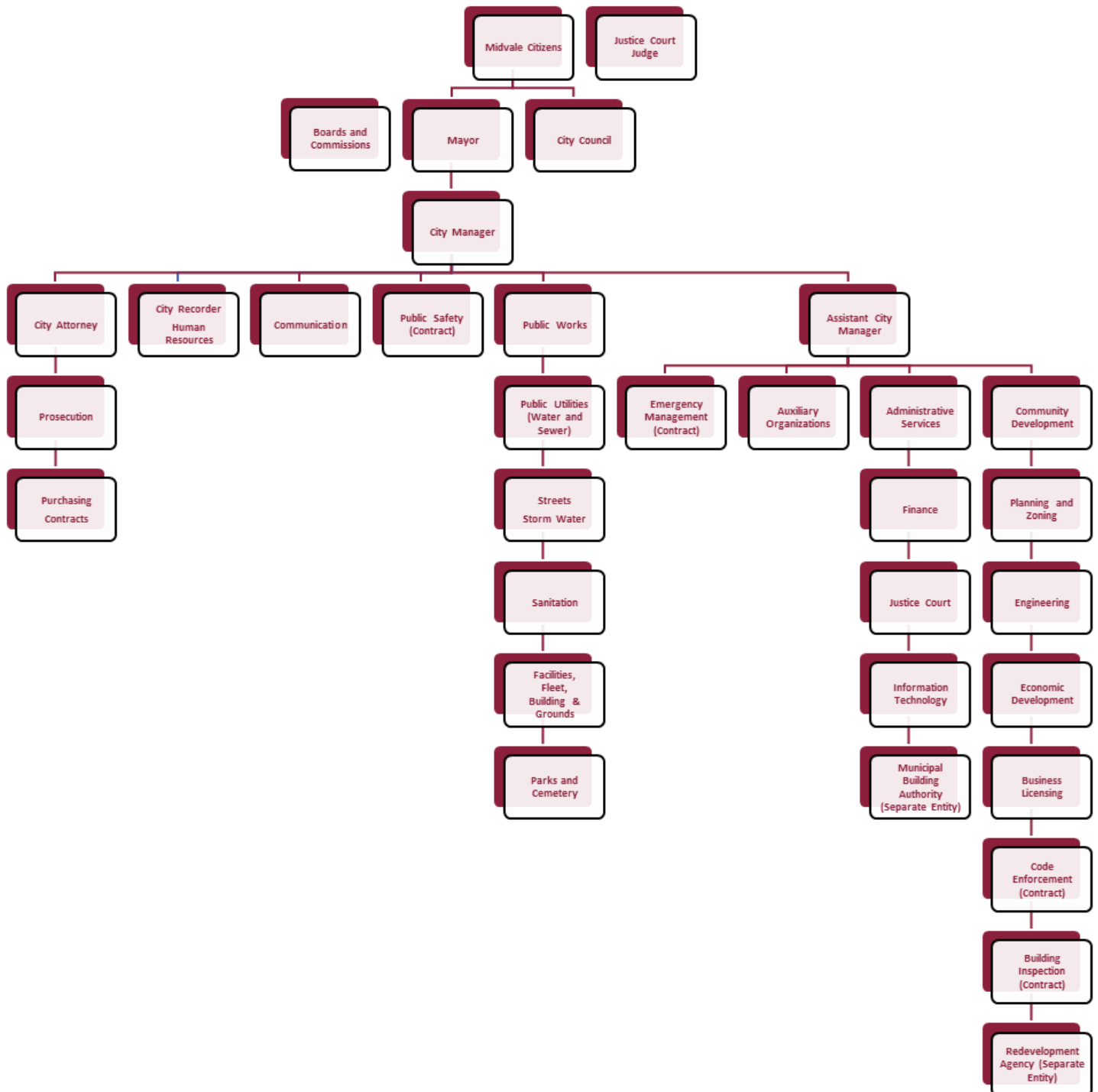
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Midvale City, Utah Organization Chart



Midvale City, Utah
List of Elected and Appointed Officials
As of June 30, 2023

Elected Officials



Mayor
Marcus Stevenson



Councilmember
Quinn Sperry



Councilmember
Paul Glover



Councilmember
Heidi Robinson



Councilmember
Bryant Brown



Councilmember
Dustin Gettel

Appointed Officials

Matthew Dahl	City Manager
Nathaniel Rockwood.....	Assistant City Manager
Garrett Wilcox	City Attorney
Rori Andreason.....	HR Director/City Recorder
Karen Kester.....	City Treasurer
Mariah Hill	Finance Director
Glen Kennedy	Public Works Director
Mariah Hill	Administrative Services Director
Adam Olsen	Community Development Director
George Vo-Duc	Justice Court Judge

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FINANCIAL SECTION





CERTIFIED PUBLIC
ACCOUNTANTS

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

INDEPENDENT AUDITOR'S REPORT

To the Mayor, City Council, and Audit Committee
Midvale City, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Midvale City, Utah (the City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above 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 Midvale City, Utah, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* 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.

Telephone (801) 590-2600 | 1285 S. 1650 W. Suite 200, Woods Cross, UT 84087

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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, and pension schedules as listed in the table of contents 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 accompanying combining and individual nonmajor fund financial statements, the internal service funds combining and individual fund financial statements, and the budgetary comparison information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 the internal service funds combining and individual fund financial statements, and the budgetary comparison information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the 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 December 5, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the City's 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.

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
December 5, 2023

Management's Discussion and Analysis

MIDVALE CITY, UTAH

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Midvale City, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for fiscal year ended June 30, 2023.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2023 by \$133,857,790 (net position). Of this amount, \$23,286,568 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net position of Midvale City increased by \$11,030,683 during fiscal year 2023. Of this increase, \$9,328,361 (84.6 percent) is attributable to governmental activities, this is from tax collections exceeding budgeted expectations and expenses below budgeted expectations. Business-type activities provided a \$1,702,322 increase to the City's net position, primarily due to the Water and Sewer funds operating with a positive net income. The City's overall net position increased due to significant capital projects being delayed to future years. It is also important to note, fiscal year 2023's governmental fund balance and business-type activities fund balance required prior period adjustments (see notes to the financial statements for additional information).
- As of the close of fiscal year 2023, the City's governmental funds reported combined ending fund balances of \$33,712,141, an increase of \$5,773,012 (20.7 percent). Most of this increase is due to projects that were delayed in the Capital Projects, Main Street Redevelopment, and City-Wide Housing Redevelopment funds in fiscal year 2023. Of the total fund balance, \$4,243,808 (12.6 percent) is restricted for debt service, development, and road activities.
- At the end of fiscal year 2023, unassigned fund balance of the General Fund was \$8,040,274, or 33.5 percent of general fund revenues (excluding other financing sources). Utah state law allows any balance of unrestricted funds (assigned and unassigned fund balance) in excess of 5 percent of the total revenues to be utilized for budget purposes. The maximum fund balance allowed is 35 percent of total revenues. The City's General Fund unassigned fund balance is currently at 33.5 percent of revenues. The City's financial policies recommend a general fund unrestricted fund balance of at least 15 percent.
- The City's total long-term obligations decreased \$5,725,652 (7.55 percent). This is primarily due to regularly scheduled debt service payments.
- At the end of fiscal year 2023, the City recognized total net pension liability of \$741,782 and a net pension asset of \$0. Much of this change is due to investment earnings not meeting expectations. More information regarding the City's retirement plans can be found on page 77 and in the Required Supplementary Information beginning on page 88.

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 other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows 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 fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government; public safety; highways and public improvements; parks, recreation, and public property; redevelopment; community development; and other. The business-type activities of the City include public utilities (water, sewer, storm water, sanitation, street lighting) and telecommunications.

The government-wide financial statements can be found on pages 29-31 of this report.

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FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City also uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the City's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year end that are available for spending. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare 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 between their assets, deferred outflows of resources, liabilities, and deferred inflows of resources as fund balance, which is divided into nonspendable, 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 debt service reserve requirements, redevelopment agency funds, road funds, and development related 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. In addition, fund balances appropriated in a subsequent fiscal year are also recorded as assigned fund balance. *Unassigned* balances in the General Fund are all other available net resources. At June 30, 2023, the City's combined governmental fund balance is \$33,712,141 (\$4,243,808 in restricted, \$21,428,059 in assigned, and \$8,040,274 in unassigned fund balances). Additional detail regarding governmental fund balances can be found on the governmental funds balance sheet located on page 32 of this report.

Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets readily convertible to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine the financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities and governmental funds is detailed in a reconciliation included with the fund financial statements.

The City maintains the following five individual governmental funds:

- General
- Capital Projects
- Debt Service
- Redevelopment Agency

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, capital projects, and debt service funds, all of which are major funds.

The basic governmental fund financial statements can be found on pages 33-39 of this report.

Proprietary Funds – The City maintains two different types of proprietary 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, Sewer, Storm Water, Sanitation, Streetlight, and Telecommunication Funds.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its fleet of vehicles and information technology. Internal service fund assets have been included in the governmental activities in the government wide statements, but the income has been split into governmental and business-type activities depending on contributing funds.

Proprietary fund financial statements 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 water, sewer, and storm water funds, which are considered major funds of the City. Conversely, the internal service funds are combined into a single, aggregate presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 41-47 of this report.

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 48 of this report.

Required Supplementary Information (RSI) – This section contains required supplementary information for the City's pension program. The RSI section begins on page 88.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Midvale City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$133,857,790 as of June 30, 2023.

By far the largest portion of the City's position (67.4 percent) reflects its investments in capital assets (e.g., land, water shares, buildings and structure, machinery and equipment, improvements, construction in progress, intangible assets, and right of way), less any related debt used to acquire those assets that is still outstanding. 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.

The following table summarized the City's net position:

Midvale City Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 42,294,771	\$ 36,122,784	\$ 18,693,690	\$ 15,512,049	\$ 60,988,461	\$ 51,634,833
Capital assets	110,204,802	111,036,572	42,655,681	43,979,984	152,860,483	155,016,556
Total Assets	152,499,573	147,159,356	61,349,371	59,492,033	213,848,944	206,651,389
Deferred outflows of resources	1,016,420	552,859	371,988	255,168	1,388,408	808,027
Current Liabilities	5,412,782	5,182,923	6,631,829	2,424,476	12,044,610	7,607,399
Noncurrent Liabilities	48,330,914	51,941,982	17,048,215	18,596,580	65,379,129	70,538,562
Total Liabilities	53,743,696	57,124,905	23,680,044	21,021,056	77,423,740	78,145,961
Deferred inflows of resources	3,951,554	5,782,878	4,268	808,236	3,955,822	6,591,114
Net position:						
Net investment in capital assets	65,982,979	63,161,804	24,215,298	24,906,854	90,198,277	88,068,658
Restricted	19,077,481	17,806,804	1,295,464	-	20,372,945	17,806,804
Unrestricted	10,760,283	3,990,475	12,526,285	13,011,055	23,286,568	17,001,530
Total net position	\$ 95,820,743	\$ 84,959,083	\$ 38,037,048	\$ 37,917,909	\$ 133,857,790	\$ 122,876,992

An additional portion of the City's net position (15.22 percent) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$23,286,568 may be used to meet the government's ongoing obligations to citizens and creditors.

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

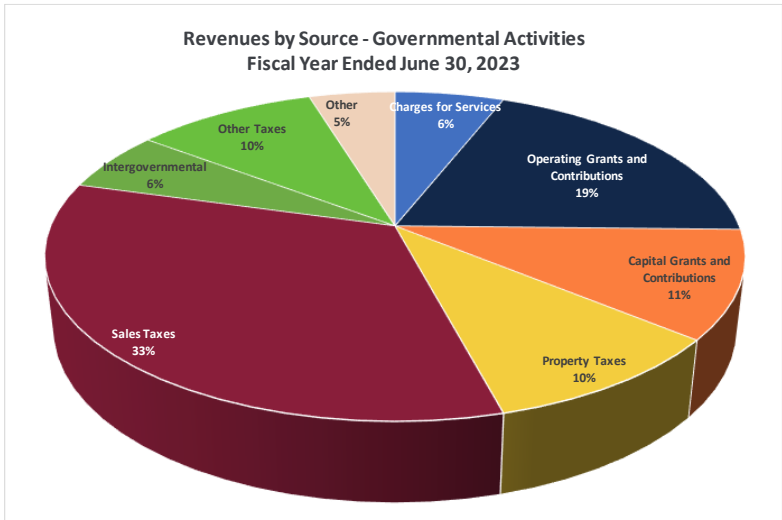
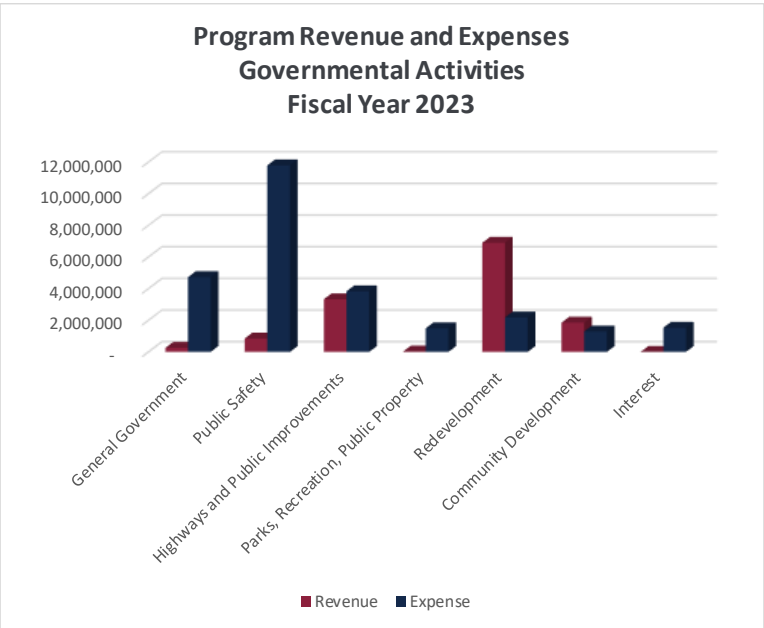
Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended June 30, 2023

Midvale City Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,207,388	\$ 3,946,480	\$ 13,908,911	\$ 14,556,794	\$ 16,116,299	\$ 18,503,274
Operating Grants and Contributions	7,101,721	7,136,801	-	-	7,101,721	7,136,801
Capital Grants and Contributions	3,889,127	3,300,243	-	-	3,889,127	3,300,243
General Revenues:						
Property Taxes	3,636,704	4,645,942	-	-	3,636,704	4,645,942
Sales Taxes	12,306,587	12,037,076	-	-	12,306,587	12,037,076
Other Taxes	3,669,110	2,799,999	-	-	3,669,110	2,799,999
Gain on Sale of Capital Assets	7,722	72,399	185,021	181,786	192,743	254,185
Intergovernmental	2,176,718	-	-	-	2,176,718	-
Other	1,883,344	719,731	264,003	(4,231)	2,147,347	715,500
Total revenues	36,878,421	34,658,671	14,357,935	14,734,349	51,236,356	49,393,020
Expenses:						
General Government	4,725,479	10,513,263	-	-	4,725,479	10,513,263
Public Safety	11,795,690	10,285,577	-	-	11,795,690	10,285,577
Highways and Public Improvements	3,824,707	2,415,708	-	-	3,824,707	2,415,708
Parks and Recreation	1,493,263	1,594,145	-	-	1,493,263	1,594,145
Redevelopment	2,180,096	2,840,234	-	-	2,180,096	2,840,234
Community Development	1,292,623	1,312,434	-	-	1,292,623	1,312,434
Interest on Long-term Debt	1,527,618	1,666,770	-	-	1,527,618	1,666,770
Water	-	-	5,710,183	5,472,697	5,710,183	5,472,697
Sewer	-	-	3,147,616	2,735,782	3,147,616	2,735,782
Storm Water	-	-	1,864,144	1,806,723	1,864,144	1,806,723
Sanitation	-	-	1,312,855	1,209,024	1,312,855	1,209,024
Telecommunications	-	-	965,249	948,418	965,249	948,418
Street Lighting	-	-	366,150	321,170	366,150	321,170
Total Expenses	26,839,475	30,628,131	13,366,197	12,493,814	40,205,672	43,121,945
Increase (Decrease) in Net Position Before Transfers	10,038,945	4,030,540	991,738	2,240,535	11,030,683	6,271,075
Transfers	(710,584)	(820,369)	710,584	820,369	-	-
Increase (Decrease) in Net Position	9,328,361	3,210,171	1,702,322	3,060,904	11,030,683	6,271,075
Net Position - Beginning	84,959,083	81,748,912	37,917,909	34,857,005	122,876,992	116,605,917
Prior period adjustment	1,533,298	-	(1,583,184)	-	(49,885)	-
Net Position - Ending	\$ 95,820,743	\$ 84,959,083	\$ 38,037,048	\$ 37,917,909	\$ 133,857,790	\$ 122,876,992

Governmental Activities – Governmental activities increased the City’s net position by \$9,328,361. Key elements affecting governmental activities net position are as follows:

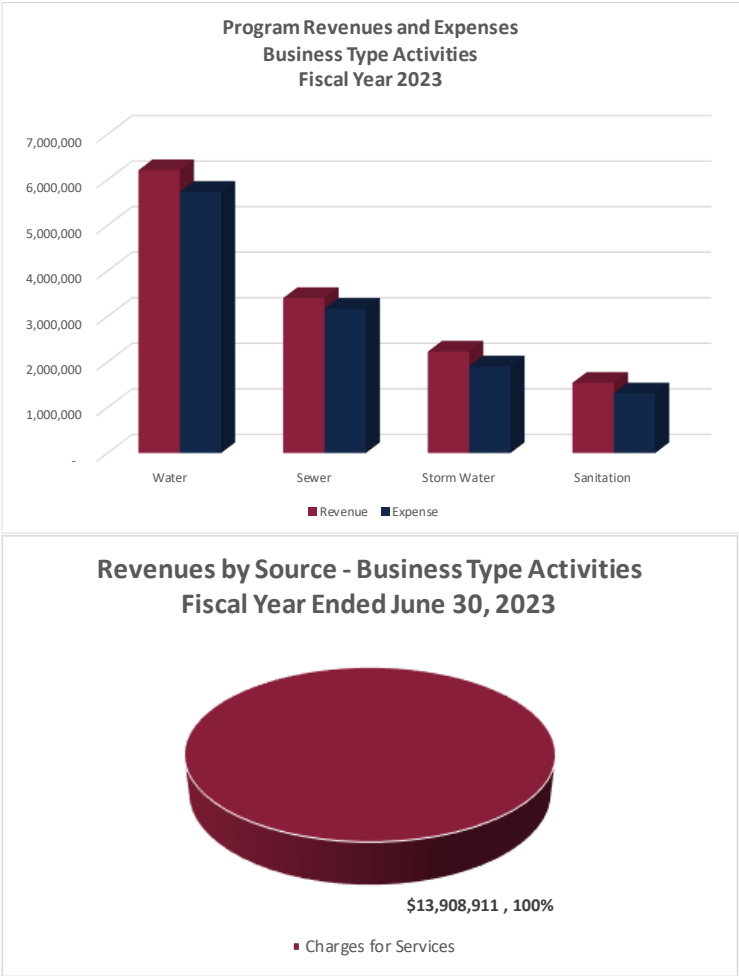
- General fund revenues posted \$1,983,464 over expectations during fiscal year 2023. This is mainly due to an increase in sales tax and franchise tax. In addition, expenditures were also under expectations by \$1,301,870. This was due to every department working diligently to maintain a slim budget during times of economic uncertainty and each one of them succeeding.
- The Redevelopment Agency’s redevelopment expenses were \$3.32 million less than their revenues, resulting in a net increase of \$3.32 million in fund balance.
- The Capital Projects Fund’s expenses were \$2,890,948 less than budgeted due to project delays.
- During fiscal year 2023, the City’s governmental funds acquired \$1,981,626 of capital assets. Work in progress assets totaled \$102,790 at year-end. The most significant projects completed during the year include \$939,960 for sidewalks and \$118,192 for roads and bridges.



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Business-Type Activities – Business-type activities increased the City’s net position by \$1,702,322, which represents a decrease of \$1,358,582 over the previous year’s change. Key elements of the change in business-type net position are as follows:

- During fiscal year 2023, the City’s business-type activities acquired \$37,989 in capital assets and had \$77,818 of projects in progress at year end.
- The street lighting fund posted an increase in net position of \$47,314. This is mainly due to lower than anticipated maintenance costs.
- The sanitation fund experienced an increase in net position of \$237,228, mainly due to its investment in the Trans Jordan Landfill.
- The water fund contributed \$472,419 to the increase in net position. The majority of this increase is due to user water consumption being higher than anticipated and delays to water master plan projects. An additional decrease of \$2,019,299 resulted from a prior period adjustment (see notes to the financial statements for additional information).
- The sewer fund contributed \$233,476 to the increase in net position due to professional services lower than anticipated and delays to master plan projects.



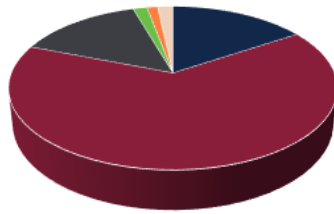
FINANCIAL HIGHLIGHTS

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, assigned and 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.

As of June 30, 2023, The City’s governmental funds (General, Capital Projects, RDA, and Municipal Building Authority) reported combined fund balances of \$33,712,141. This represents an increase of \$7,742,425 from the previous year’s ending balance. This includes a \$5,773,012 increase from operations and an additional increase of \$1,969,413 from a prior period adjustment (see notes to the financial statements for additional information). \$8,040,274 (23.8 percent) of the total fund balance constitutes *unassigned fund balance* and is therefore available for spending at the City’s discretion. *Assigned fund* balance totals \$21,428,059 (63.7 percent), meaning the City intends to use this amount for specific purposes (capital projects, redevelopment, and debt service). Fund balance of \$4,243,808 (12.6 percent) is *restricted* to indicate it is not available for new spending because it has already been committed to pay for roads, development related expensed and debt service.

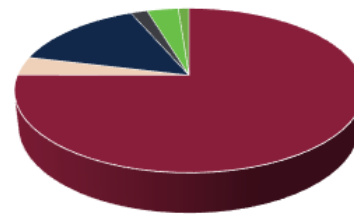
General Fund

**Fiscal Year 2023 General Fund
Tax Revenue by Type**



■ Property Tax ■ Sales Tax ■ Franchise Tax
■ Telecommunications Tax ■ Transient Room Tax ■ Motor Vehicle in Lieu

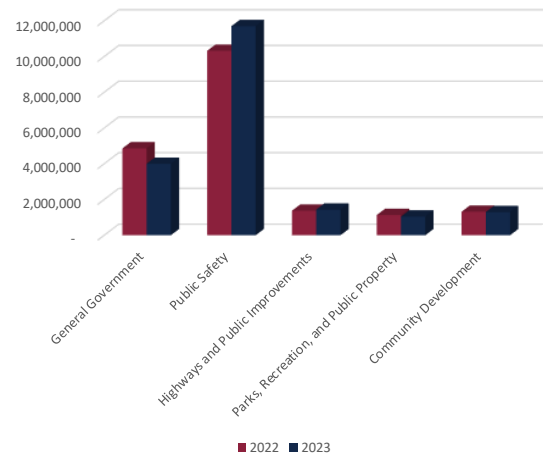
**Fiscal Year 2023 General Fund
Revenue by Source**



■ Taxes ■ Licenses and Permits ■ Intergovernmental
■ Charges for Services ■ Fines and Forfeitures ■ Other

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 (including other financing sources and uses) in the General Fund by \$467,173 during the year. Taxes continue to be the largest source of revenue in the General Fund and represent 75 percent of total General Fund revenues. The largest component of tax revenue is sales tax, which represents 64.7 percent of total tax revenues and 51.3 percent of total General Fund revenues. This compares with 52.1 percent of total general fund revenues in the prior fiscal year ended June 30, 2022.

**General Fund Expenditures by Function
Fiscal Year 2022 and 2023**



General fund expenditures increased during fiscal year 2023, going from \$19,021,590 in 2022 to \$19,463,396 in 2023. This can mostly be attributed to increases in public safety costs.

Other Governmental Funds

Highlights from the City's other governmental funds show indicators of a growing city and strong local economy. During fiscal year 2023, property tax collections from redevelopment areas increased 9.6 percent to a total of \$9,673,857 during the same period. This increase is due to an increase in taxable values. RDA fund balance increased \$3,318,168 to a total of \$16,097,813 (25.96 percent increase). The remaining fund balance will be used to support the City's redevelopment project areas.

Fund balance in the Capital Projects Fund increased \$2,154,201 during the fiscal year to an ending fund balance of \$6,517,945. This is due to several large projects not starting or being completed in fiscal year 2023 due to economic issues and increased transfers into the capital projects fund to prepare for large projects in coming years.

Fund balance in the Municipal Building Authority Fund increased \$27,380 during the fiscal year to an ending balance of \$690,562. The Municipal Building Authority fund is a legally separate governmental unit that is used to collect lease revenue and make debt service payments on the City's 2012 Lease Revenue Bonds and is reported in the financial statements as a blended component unit. The MBA Bonds have a debt service reserve of \$606,944 constituting the majority of fund balance.

Fund balance in the Debt Service Fund had a net change of \$1,775,503. This includes a decrease of \$193,910 from regular operations and an additional increase of \$1,969,413 from a prior period adjustment (see notes to the financial statements for additional information). The debt service fund was created in fiscal year 2022. The fund balance is a result of interest income.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. In summary, unrestricted net position decreased from \$3,270,634 to \$1,457,216 in the Water Fund; increased from \$6,010,616 to \$6,116,110 in the Sewer Fund; and increased from \$1,444,246 to \$1,558,728 in the Storm Water Fund.

Water Fund unrestricted net position decreased by \$1,813,418, this is mainly due to American Rescue Plan Act funds being reclassified as unearned revenue (see notes to the financial statements for additional information).

The net position increase in the Sewer Fund is largely due to an increase in the City's investment in the South Valley Water Reclamation Facility (SVWRF).

Finally, the net position increase in the storm water fund is largely due to revenues exceeding budgeted expectations. This is mainly due to an increase in equivalent residential units (ERU's) billed. The City is also building reserves for future capital projects.

The City's nonmajor proprietary funds (street lighting, sanitation, and telecommunications) increased unrestricted net position from \$2,285,559 in fiscal year 2022 to \$2,867,459 in fiscal year 2023 (a \$581,900 increase). The Street Lighting fund realized a \$47,314 increase in net position, largely due to maintenance costs being under budgeted expectations. The Sanitation Fund saw a \$237,228 net position increase, largely due to a gain on the City's equity investment in Trans Jordan Landfill. Finally, the Telecommunications Fund saw a \$297,358 net position increase, mainly due to a change in accounting estimate related to a long-term receivable and an accompanying allowance for doubtful accounts.

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GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, General Fund budgeted expenditures were amended from an original budget total of \$20,552,318 to a final budget total of \$20,765,266 (1 percent difference). All departments monitor their budgets closely and are required to stay within their allotment. Budget adjustments made during the year can be summarized as follows:

- The City added funding for the Midvale City website redesign.
- The City added funding to the Planning department for professional services related to the planning of a future project.
- The City added funding for human resources software, community development software, and wireless networking software.

General fund budgeted revenues were amended from \$21,971,397 to \$21,985,280 (an increase of \$13,883). Highlights of this increase include:

- The City amended budgeted proceeds from insurance from \$0 to \$13,883.

During the year, actual revenues were greater than budgeted revenues by \$1,983,464. Actual expenditures were less than budgeted expenditures by \$1,301,870.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – Midvale City’s investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$152,860,483 (net of accumulated depreciation). This investment in capital assets includes land, water stock & rights, buildings, improvements, infrastructure, machinery & equipment, and construction in progress. The total decrease in the City’s investment in capital assets for the current year was 1.4 percent (a .75 percent decrease for governmental activities and a 3 percent decrease for business-type activities).

Midvale City Capital Assets, Net of Depreciation June 30, 2023

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 65,065,740	\$ 65,065,740	115,062	\$ 115,062	\$ 65,180,802	\$ 65,180,802
Water Stock & Rights	-	-	3,081,299	3,081,299	3,081,299	3,081,299
Buildings	20,708,338	21,261,342	3,147,125	3,239,547	23,855,463	24,500,889
Improvements	3,310,473	3,421,331	35,992,813	37,227,027	39,303,286	40,648,358
Infrastructure	18,565,243	19,100,584	-	-	18,565,243	19,100,584
Machinery & Equipment	2,452,217	2,167,529	241,564	239,231	2,693,781	2,406,760
Construction in Progress	102,790	20,046	77,818	77,818	180,608	97,864
TOTAL:	\$ 110,204,802	\$ 111,036,572	\$ 42,655,681	\$ 43,979,984	\$ 152,860,483	\$ 155,016,556

Major capital asset events during fiscal year 2023 include the following:

- \$939,960 Sidewalk curb & gutter improvements.
- \$118,192 Pavement in various locations.
- \$31,738 Trash pump for sewer.
- \$524,876 Hydro excavator truck.
- \$102,120 Caterpillar backhoe Loader.
- \$17,003 Holiday lights for city hall.

Additional information on the City's capital assets can be found on page 65-67 of this report.

Long-term debt - As of June 30, 2023, the City had total long-term debt outstanding of \$70,123,818. The City has no general obligation bonds outstanding.

Midvale City
Outstanding Long-Term Bonded Debt
June 30, 2023

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Lease Revenue Bonds	\$ 5,155,000	\$ 5,665,000	\$ -	\$ -	5,155,000	5,665,000
Tax Revenue Bonds	35,999,000	38,644,000	-	-	35,999,000	38,644,000
Unamortized Bond Premiums	2,900,586	3,326,509	559,058	651,078	3,459,644	3,977,587
Direct Borrowings	6,962,744	7,465,176	98,211	111,601	7,060,955	7,576,777
Water, Sewer, Storm Water Revenue Bonds	-	-	17,716,000	19,346,000	17,716,000	19,346,000
Compensated Absences	499,827	431,568	233,392	208,538	733,219	640,106
TOTAL:	\$ 51,517,157	\$ 55,532,253	\$ 18,606,661	\$ 20,317,217	\$ 70,123,818	\$ 75,849,470

The City's total debt outstanding decreased by \$5,725,652 during the fiscal year (7.55 percent). This decrease is due to regular debt service payments.

The City currently has no General Obligation debt. The most recent bond ratings issued for Midvale City include:

- Series 2016 and 2018 Water, Sewer, and Storm Water Revenue Bonds, a Fitch rating of "AA-" (rating outlook: positive).
- Series 2018 RDA Tax Increment and Sales Tax Revenue Bonds, a Fitch rating of "AA" (rating outlook: stable).
- Series 2017 Sales Tax Revenue Bonds a Fitch rating of "AA" (rating outlook: stable).
- 2012 MBA Lease Revenue Bonds a Fitch rating of "AA-" (rating outlook: stable).
- Standalone Credit Profile (SCP) of "AA-" (Fitch ratings).
- Issuer Default Rating (IDR) of "AA" (Fitch ratings).

State statutes limit the amount of General Obligation debt a governmental entity may issue to 12 percent of the “reasonable fair cash value” of property within the City. Of this percent, a maximum of 4 percent may be used for general purposes. The current limitation for the City is \$260,204,365 which is significantly in excess of the City’s outstanding General Obligation debt (the City has no General Obligation debt outstanding). The remaining 8 percent and any unused portion of the 4 percent available for general purposes, up to the maximum of 12 percent, may be utilized for water, sewer, and electrical projects. The current limitation for all debt, including that used for water, sewer and electrical projects is thus \$780,613,095, which again significantly exceeds the outstanding city-wide debt.

The City has two direct borrowings in the form of loans from the Utah Department of Transportation State Infrastructure Bank. One was issued in 2021 for \$2.1 million and one was issued during fiscal year 2022 for \$5.5 million. Both loans are for parking structures and the payments are made via pass-through revenue paid to the City by developers. These loans are not for capital purposes.

Additional information on the City’s long term-debt can be found on pages 71-76 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

- The 2023 unemployment rate for the Midvale City was 2.7 percent. This compares with a national unemployment rate of 3.6 percent. The 2022 unemployment rate for the Midvale City was 2.1 percent. (Source: Bureau of Labor Statistics.)
- General Fund budgeted revenues for the fiscal year ending June 30, 2024 (\$25,173,913) reflect a decrease of 1.2 percent over the final budgeted revenues for the fiscal year ended June 30, 2023 (\$25,470,980). In light of recent economic uncertainty the City anticipates very little to no growth in tax income. General Fund expenditures in fiscal year 2024 are budgeted \$861,002 greater than fiscal year 2023. This increase is primarily due to an increase in public safety costs.
- A 5-year water and sewer rate increase model was passed by the City Council to fund necessary capital needs of the water and sewer funds.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of Midvale City’s finances for all those with an interest in the City’s finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to: Midvale City, Finance Department, 7505 S Holden St, Midvale City, UT 84047 or call (801) 567-7200, or e-mail mhill@midvale.com.

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BASIC FINANCIAL SECTION



Midvale City
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash, cash equivalents, and investments:			
Unrestricted	\$ 16,564,756	\$ 3,579,872	\$ 20,144,628
Restricted	15,204,224	5,334,061	20,538,285
Receivables (net of allowance for uncollectibles):			
Accounts and taxes	8,163,875	1,566,258	9,730,133
Contracts	-	13,565	13,565
Court fines	226,344	-	226,344
Due from other governments	722,836	-	722,836
Inventory	-	378,673	378,673
Internal balances	(526,772)	526,772	-
Prepays and deposits	19,015	2,253	21,268
Total current assets	<u>40,374,278</u>	<u>11,401,454</u>	<u>51,775,732</u>
Noncurrent assets:			
Contracts receivable	-	89,815	89,815
Investment in Joint Ventures	-	6,936,234	6,936,234
Note receivable	1,770,363	266,187	2,036,550
Land held for resale	150,130	-	150,130
Capital assets not being depreciated:			
Water stock	-	3,081,299	3,081,299
Land	65,065,740	115,062	65,180,802
Construction in progress	102,790	77,818	180,608
Capital assets, net of accumulated depreciation:			
Buildings	20,708,338	3,147,125	23,855,463
Improvements other than buildings	3,310,473	35,992,813	39,303,286
Equipment	2,452,217	241,564	2,693,781
Infrastructure	18,565,243	-	18,565,243
Total noncurrent assets	<u>112,125,295</u>	<u>49,947,917</u>	<u>162,073,212</u>
Total assets	<u>152,499,573</u>	<u>61,349,371</u>	<u>213,848,944</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	1,016,420	371,988	1,388,408
Total deferred outflows of resources	<u>\$ 1,016,420</u>	<u>\$ 371,988</u>	<u>\$ 1,388,408</u>

The accompanying notes are an integral part of this financial statement.

Midvale City
Statement of Net Position (Continued)
June 30, 2023

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 637,283	\$ 528,571	\$ 1,165,853
Accrued liabilities	307,314	103,855	411,169
Accrued interest payable	269,431	143,300	412,731
Compensated absences	306,605	165,506	472,111
Bonds and notes payable	3,787,149	1,652,000	5,439,149
Unearned Revenue	105,000	4,038,597	4,143,597
Total current liabilities	<u>5,412,782</u>	<u>6,631,829</u>	<u>12,044,610</u>
Noncurrent liabilities:			
Bonds and notes payable	47,230,181	16,721,269	63,951,450
Compensated absences	193,220	67,886	261,106
Net pension liability	538,237	203,545	741,782
Deposits held	369,276	55,515	424,791
Total noncurrent liabilities	<u>48,330,914</u>	<u>17,048,215</u>	<u>65,379,129</u>
Total liabilities	<u>53,743,696</u>	<u>23,680,044</u>	<u>77,423,740</u>
Deferred inflows of resources:			
Deferred revenue property taxes	3,940,271	-	3,940,271
Deferred inflows related to pensions, net	11,283	4,268	15,551
Total deferred inflows of resources	<u>3,951,554</u>	<u>4,268</u>	<u>3,955,822</u>
NET POSITION			
Net investment in capital assets	65,982,979	24,215,298	90,198,277
Restricted for:			
Capital projects and redevelopment	14,833,673	1,295,464	16,129,137
Road Funds	323,328	-	323,328
Development-related funds	264,991	-	264,991
Debt Service Funds	3,655,489	-	3,655,489
Unrestricted	<u>10,760,283</u>	<u>12,526,285</u>	<u>23,286,568</u>
Total net position	<u>\$ 95,820,743</u>	<u>\$ 38,037,048</u>	<u>\$ 133,857,790</u>

The accompanying notes are an integral part of this financial statement.

Midvale City
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Function/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 4,725,479	\$ 46,816	\$ 206,628	\$ -	\$ (4,472,035)	\$ -	\$ (4,472,035)
Public safety	11,795,690	844,493	-	-	(10,951,196)	-	(10,951,196)
Highways and public improvements	3,824,707	-	-	3,330,730	(493,977)	-	(493,977)
Parks, recreation and public property	1,493,263	26,850	-	-	(1,466,413)	-	(1,466,413)
Redevelopment	2,180,096	-	6,895,093	-	4,714,997	-	4,714,997
Community development	1,292,623	1,289,229	-	558,397	555,003	-	555,003
Interest and other fiscal charges	1,527,618	-	-	-	(1,527,618)	-	(1,527,618)
Total governmental activities	26,839,475	2,207,388	7,101,721	3,889,127	(13,641,239)	-	(13,641,239)
Business-type activities							
Water	5,710,183	6,034,039	-	-	-	323,856	323,856
Sewer	3,147,616	3,373,084	-	-	-	225,468	225,468
Storm water	1,864,144	2,183,691	-	-	-	319,547	319,547
Sanitation	1,312,855	1,354,000	-	-	-	41,145	41,145
Telecommunications	965,249	555,971	-	-	-	(409,278)	(409,278)
Street lighting	366,150	408,126	-	-	-	41,976	41,976
Total business-type activities	13,366,197	13,908,911	-	-	-	542,714	542,714
General Revenues:							
Property taxes					3,636,704	-	3,636,704
Sales taxes					12,306,587	-	12,306,587
Telecommunications and franchise taxes					3,669,110	-	3,669,110
Intergovernmental					2,176,718	-	2,176,718
Gain on sale of assets/equity investment income					7,722	185,021	192,743
Interest income					1,068,579	264,003	1,332,582
Miscellaneous					814,765	-	814,765
Transfers:							
Transfers - net					(710,584)	710,584	-
Total general revenue and transfers					22,969,600	1,159,608	24,129,208
Change in net position					9,328,361	1,702,322	11,030,683
Net position - beginning					84,959,083	37,917,909	122,876,992
Prior period adjustment, see notes					1,533,298	(1,583,184)	(49,885)
Net position - ending					\$ 95,820,743	\$ 38,037,048	\$ 133,857,790

The accompanying notes are an integral part of this financial statement.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Midvale City
Balance Sheet - Governmental Funds
June 30, 2023

	Special Revenue					
	General	Debt Service	Capital Projects	Redevelopment Agency	Municipal Building Authority	Total Governmental Funds
ASSETS						
Cash, cash equivalents, and investments						
Unrestricted	\$ 6,144,491	\$ 3,482	\$ 6,780,527	\$ 12,949,107	\$ 72,979	\$ 25,950,586
Restricted	264,991	3,383	105,000	1,264,140	617,603	2,255,117
Receivables, net:						
Accounts and other	-	-	-	1,787,278	-	1,787,278
Taxes	5,341,757	-	182,175	852,665	-	6,376,597
Court fines	226,344	-	-	-	-	226,344
Intergovernmental	722,836	-	-	-	-	722,836
Due from developers	-	1,770,363	-	-	-	1,770,363
Deposits	10,647	-	-	-	-	10,647
Prepaid assets	7,917	-	-	294	-	8,211
Land held for resale	-	-	-	150,130	-	150,130
Total assets	12,718,983	1,777,228	7,067,702	17,003,614	690,582	39,258,109
LIABILITIES						
Accounts payable	151,994	-	441,882	10,971	20	604,867
Deposits held	363,401	-	2,875	3,000	-	369,276
Accrued liabilities	260,686	-	-	39,165	-	299,851
Unearned revenue - grants	-	-	105,000	-	-	105,000
Total liabilities	776,081	-	549,757	53,136	20	1,378,994
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	3,087,606	-	-	852,665	-	3,940,271
Unavailable revenue - fines, fees, and other	226,703	-	-	-	-	226,703
Total deferred inflows of resources	3,314,309	-	-	852,665	-	4,166,974
FUND BALANCES						
Restricted for:						
B&C road funds	323,328	-	-	-	-	323,328
Development-related funds	264,991	-	-	-	-	264,991
Debt service	-	1,773,746	-	1,264,140	617,603	3,655,489
Total restricted	588,319	1,773,746	-	1,264,140	617,603	4,243,808
Assigned to:						
Redevelopment	-	-	-	14,833,673	-	14,833,673
Capital projects	-	-	6,517,945	-	-	6,517,945
Debt service	-	3,482	-	-	72,959	76,441
Total assigned	-	3,482	6,517,945	14,833,673	72,959	21,428,059
Unassigned	8,040,274	-	-	-	-	8,040,274
Total fund balances	8,628,593	1,777,228	6,517,945	16,097,813	690,562	33,712,141
Total liabilities, deferred inflows of resources, and fund balances	\$ 12,718,983	\$ 1,777,228	\$ 7,067,702	\$ 17,003,614	\$ 690,582	\$ 39,258,109

The accompanying notes are an integral part of this financial statement.

Midvale City
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
June 30, 2023

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

Total Fund Balances - Total Governmental Funds	\$ 33,712,141
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of the assets is \$156,640,577 less the accumulated depreciation of \$48,387,784.	108,252,793
Interest on general obligation and lease revenue bonds is not accrued in governmental funds but rather is recognized as an expenditure when due.	(269,431)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(51,496,514)
Pension liabilities and assets are not due and payable in the current period and, therefore, are not reported in the funds.	458,947
Other assets are not available to pay for current period expenditures and, therefore, are either deferred or not applicable to funds.	226,703
Internal service funds are used by management to charge the costs of fleet management and IT management to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.	(526,772)
Internal service funds are used by management to charge the costs of fleet maintenance and computer equipment to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.	5,462,876
Net Position - Governmental Activities	\$ 95,820,743

The accompanying notes are an integral part of this financial statement.

Midvale City
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	Special Revenue					
	General	Debt Service	Capital Projects	Redevelopment Agency	Municipal Building Authority	Total Governmental Funds
REVENUES						
Taxes	\$ 17,986,216	\$ -	\$ 1,024,138	\$ 777,223	\$ -	\$ 19,787,577
Licenses and permits	892,307	-	-	-	-	892,307
Intergovernmental	3,537,359	-	558,397	8,896,634	-	12,992,390
Charges for service	439,465	46,281	-	-	-	485,746
Fines and forfeitures	829,335	-	-	-	-	829,335
Interest income	228,979	3,690	164,898	510,512	25,150	933,229
Lease Revenue	-	-	-	-	680,419	680,419
Miscellaneous	55,083	-	-	72,563	-	127,646
Total revenues	23,968,744	49,971	1,747,433	10,256,932	705,569	36,728,649
EXPENDITURES						
Current:						
General government	3,996,344	374,961	-	-	-	4,371,305
Public safety	11,698,303	-	-	-	-	11,698,303
Highways and public improvements	1,429,885	-	-	828,909	-	2,258,794
RDA Administration	-	-	-	1,759,038	-	1,759,038
Parks, recreation, and public property	1,046,241	-	-	-	-	1,046,241
Redevelopment	-	-	-	421,693	-	421,693
Community development	1,292,623	-	-	-	-	1,292,623
Total current expenditures	19,463,396	374,961	-	3,009,640	-	22,847,997
Capital outlay:						
Capital outlay	-	-	1,580,832	-	3,020	1,583,852
Debt service:						
Principal	-	1,027,432	-	2,120,000	510,000	3,657,432
Interest	-	444,031	-	1,359,992	165,169	1,969,192
Bond issuance costs	-	4,550	-	-	-	4,550
Total debt service	-	1,476,013	-	3,479,992	675,169	5,631,174
Total expenditures	19,463,396	1,850,974	1,580,832	6,489,632	678,189	30,063,023
Excess (deficiency) of revenues over (under) expenditures						
	4,505,348	(1,801,003)	166,601	3,767,300	27,380	6,665,626
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of assets	17,970	-	-	-	-	17,970
Issuance of debt	-	-	-	-	-	-
Transfers in	-	1,607,093	1,987,600	-	-	3,594,693
Transfers out	(4,056,145)	-	-	(449,132)	-	(4,505,277)
Total other financing sources (uses)	(4,038,175)	1,607,093	1,987,600	(449,132)	-	(892,614)
Net change in fund balance	467,173	(193,910)	2,154,201	3,318,168	27,380	5,773,012
Fund balances at beginning of year	8,161,420	1,725	4,363,744	12,779,645	663,182	25,969,716
Prior period adjustment, see notes	-	1,969,413	-	-	-	1,969,413
Fund balances at end of year	\$ 8,628,593	\$ 1,777,228	\$ 6,517,945	\$ 16,097,813	\$ 690,562	\$ 33,712,141

The accompanying notes are an integral part of this financial statement.

Midvale City
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds	\$ 5,773,012
Governmental funds report capital outlays as expenditures and do not report capital contributions, as they are not financial assets. However, in the statement of activities the cost of capital outlays is allocated over their estimated useful lives and reported as depreciation expense, and capital contributions are reported as assets and revenue. This is the amount by which capital outlays exceeded depreciation in the current period.	(1,227,164)
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 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.	4,038,231
In the statement of activities, only the 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.	(20,046)
Some revenues in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds.	473,061
The net revenue of certain activities of the internal service funds are reported with governmental activities.	74,770
The net revenue of certain activities of the Internal Service Fund is reported with governmental activities.	209,798
Change in net position of governmental activities	\$ 9,328,362

The accompanying notes are an integral part of this financial statement.

Midvale City
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Taxes	\$ 16,599,930	\$ 16,599,930	\$ 17,986,216	\$ 1,386,286
Licenses and permits	855,000	855,000	892,307	37,307
Intergovernmental	3,233,694	3,233,694	3,537,359	303,665
Charges for services	377,520	377,520	439,465	61,945
Fines and forfeitures	888,000	888,000	829,335	(58,665)
Interest income	5,000	5,000	228,979	223,979
Miscellaneous	12,253	26,136	55,083	28,947
Total revenues	21,971,397	21,985,280	23,968,744	1,983,464
<u>EXPENDITURES</u>				
General government:				
City council	247,442	247,442	225,872	21,570
Court	1,079,034	1,079,034	973,692	105,342
General administration	864,981	924,981	779,508	145,473
Information technology	603,623	626,623	532,840	93,784
Finance	355,737	360,737	337,210	23,527
Recorder	233,464	233,464	202,287	31,177
City attorney	592,196	607,196	561,919	45,277
Non-departmental	124,144	124,144	92,210	31,934
Community and intergovernmental services	345,672	363,672	269,877	93,795
Employee services	53,515	56,015	20,929	35,086
Public safety:				
Police	11,703,309	11,703,309	11,698,303	5,006
Highways and public improvements	1,518,741	1,550,741	1,429,886	120,856
Parks, recreation and public property	1,288,048	1,302,931	1,046,241	256,691
Community development	1,542,413	1,584,978	1,292,623	292,355
Debt service:				
Interest	-	-	-	-
Total expenditures	20,552,318	20,765,266	19,463,396	1,301,870
Excess (deficiency) of revenues over (under) expenditures	1,419,079	1,220,014	4,505,348	3,285,334
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from sale of assets			17,970	17,970
Transfers in	1,637,066	2,836,131	-	(2,836,131)
Transfers out	(3,056,145)	(4,056,145)	(4,056,145)	-
Net change in fund balance	\$ -	\$ -	467,173	\$ 467,173
Fund balance at beginning of year			8,161,420	
Fund balance at end of year			\$ 8,628,593	

The accompanying notes are an integral part of this financial statement.

Midvale City
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Redevelopment Agency
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	\$ 772,200	\$ 772,200	\$ 777,223	\$ 5,023
Intergovernmental	7,007,200	7,007,200	6,895,093	(112,107)
Charges for service	2,134,655	2,134,655	2,074,104	(60,551)
Interest income	55,000	55,000	510,512	455,512
Total revenues	9,969,055	9,969,055	10,256,932	287,877
EXPENDITURES				
Redevelopment	1,427,600	1,427,600	421,693	1,005,907
Administration	4,402,647	4,402,647	1,759,038	2,643,609
Highways and public improvements	2,957,000	2,957,000	828,909	2,128,091
Debt service				
Principal	2,120,000	2,120,000	2,120,000	-
Interest	1,359,992	1,359,992	1,359,992	-
Bond issuance costs	-	-	-	-
Total expenditures	12,267,239	12,267,239	6,489,632	5,777,607
Excess (deficiency) of revenues over (under) expenditures	(2,298,184)	(2,298,184)	3,767,300	6,065,484
OTHER FINANCING SOURCES				
Transfers in	3,661,246	3,661,246	-	(3,661,246)
Transfers out	(2,824,370)	(2,824,370)	(449,132)	2,375,238
Total other financing sources (uses)	836,876	836,876	(449,132)	(1,286,008)
Net change in fund balance	\$ (1,461,308)	\$ (1,461,308)	3,318,168	\$ 4,779,476
Fund balance at beginning of year			12,779,645	
Fund balance at end of year			\$ 16,097,813	

The accompanying notes are an integral part of this financial statement.

Midvale City
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Municipal Building Authority
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Lease and other revenue	\$ 680,269	\$ 680,269	\$ 680,419	\$ 150
Interest income	1,000	1,000	25,150	24,150
Total revenues	681,269	681,269	705,569	24,300
<u>EXPENDITURES</u>				
Capital outlay	6,100	6,100	3,020	3,080
Debt service				
Principal	510,000	510,000	510,000	-
Interest	165,169	165,169	165,169	-
Total expenditures	681,269	681,269	678,189	3,080
Excess (deficiency) of revenues over (under) expenditures	-	-	27,380	27,380
Net change in fund balance	\$ -	\$ -	27,380	\$ 27,380
Fund balance at beginning of year			663,182	
Fund balance at end of year			\$ 690,562	

The accompanying notes are an integral part of this financial statement.

PROPRIETARY FUND FINANCIAL STATEMENTS

Midvale City
Statement of Net Position - Proprietary Funds
June 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water	Sewer	Storm Water	Other Proprietary Funds	Total	
<u>ASSETS</u>						
Current assets:						
Cash, cash equivalents, and investments						
Unrestricted	\$ 612,288	\$ 1,065,944	\$ 1,397,187	\$ 504,453	\$ 3,579,872	\$ 3,563,276
Restricted (bond)	1,022,752	272,628	84	-	1,295,464	-
Restricted (Federal Grant)	4,038,597	-	-	-	4,038,597	-
Receivables:						
Accounts, net	776,939	385,380	217,475	186,464	1,566,258	-
Contracts	-	-	-	13,565	13,565	-
Inventory	378,673	-	-	-	378,673	-
Prepaid assets	731	623	865	34	2,253	157
Total current assets	6,829,980	1,724,575	1,615,611	704,516	10,874,682	3,563,433
Noncurrent assets:						
Contracts receivable	-	-	-	89,815	89,815	-
Investment in Joint Venture -						
South Valley Water Reclamation	-	4,910,761	-	-	4,910,761	-
Investment in Joint Venture -						
Jordan Cities Landfill	-	-	-	2,025,473	2,025,473	-
Notes receivable, less allowance						
for doubtful accounts	-	-	-	266,187	266,187	-
Capital assets:						
Land	115,062	-	-	-	115,062	-
Water stock	3,081,299	-	-	-	3,081,299	-
Construction in progress	77,818	-	-	-	77,818	-
Buildings, net	1,552,369	-	1,594,756	-	3,147,125	-
Improvements, net	27,596,004	3,888,417	4,508,392	-	35,992,813	-
Automobiles, net	-	-	-	-	-	1,172,693
Machinery and equipment, net	46,865	193,330	1,369	-	241,564	779,316
Total noncurrent assets	32,469,417	8,992,508	6,104,517	2,381,475	49,947,917	1,952,009
Total assets	39,299,397	10,717,083	7,720,128	3,085,991	60,822,599	5,515,442
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Deferred outflows related to pensions	145,790	79,560	137,729	8,909	371,988	20,146
Total deferred outflows of resources	\$ 145,790	\$ 79,560	\$ 137,729	\$ 8,909	\$ 371,988	\$ 20,146

The accompanying notes are an integral part of this financial statement.

Midvale City
Statement of Net Position - Proprietary Funds (Continued)
June 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water	Sewer	Storm Water	Other Proprietary Funds	Total	
<u>LIABILITIES</u>						
Current liabilities:						
Accounts payable	\$ 243,875	\$ 163,632	\$ 4,379	\$ 116,685	\$ 528,571	\$ 32,417
Accrued liabilities	40,120	25,730	30,934	7,071	103,855	7,463
Compensated absences	60,371	45,071	57,544	2,520	165,506	18,072
Accrued interest payable	103,673	30,980	8,647	-	143,300	-
Unearned Revenue	4,038,597	-	-	-	4,038,597	-
Bonds payable	1,053,800	216,200	382,000	-	1,652,000	-
Total current liabilities	5,540,436	481,613	483,504	126,276	6,631,829	57,952
Noncurrent liabilities:						
Compensated absences	28,134	7,271	32,481	-	67,886	2,564
Deposits held	55,515	-	-	-	55,515	-
Notes payable	-	-	-	98,211	98,211	-
Bonds payable	11,303,061	3,122,997	2,197,000	-	16,623,058	-
Net pension liability	78,926	55,337	66,389	2,893	203,545	11,943
Total noncurrent liabilities	11,465,636	3,185,605	2,295,870	101,104	17,048,215	14,507
Total liabilities	17,006,072	3,667,218	2,779,374	227,380	23,680,044	72,459
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred inflows related to pensions	1,655	1,160	1,392	61	4,268	250
Total deferred inflows of resources	1,655	1,160	1,392	61	4,268	250
<u>NET POSITION</u>						
Net investment in capital assets	19,957,492	739,527	3,518,279	-	24,215,298	1,952,009
Restricted:						
Capital Improvements	1,022,752	272,628	84	-	1,295,464	-
Unrestricted	1,457,216	6,116,110	1,558,728	2,867,459	11,999,513	3,510,870
Total net position	\$ 22,437,461	\$ 7,128,265	5,077,091	\$ 2,867,459	\$ 37,510,276	\$ 5,462,879

The accompanying notes are an integral part of this financial statement.

Midvale City

Reconciliation of the Statement of Net Position - Proprietary Funds to the Statement of Net Position

June 30, 2023

Total net position for proprietary funds	\$ 37,510,276
Internal Service fund allocation for prior year	436,115
Internal Service fund allocation for current year	<u>90,657</u>
Total business-type net position	<u>\$ 38,037,048</u>

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Midvale City
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water	Sewer	Storm Water	Other Proprietary Funds	Total	
<u>OPERATING REVENUES</u>						
Charges for services	\$ 5,942,291	\$ 3,354,249	\$ 2,089,771	\$ 1,774,993	\$ 13,161,304	\$ 1,253,569
Connection fees	30,864	1,400	-	-	32,264	-
Other	60,884	17,435	93,920	543,104	715,343	6,700
Total operating revenues	6,034,039	3,373,084	2,183,691	2,318,097	13,908,911	1,260,269
<u>OPERATING EXPENSES</u>						
Salaries and wages	717,807	503,563	603,750	25,974	1,851,094	136,882
Employee benefits	297,849	242,421	288,991	9,410	838,671	52,860
Administration	915,678	618,966	578,588	372,869	2,486,101	243,060
Supplies	2,854	-	-	-	2,854	99,829
Repairs and maintenance	563,105	146,646	184,092	-	893,843	142,053
Waste disposal	-	-	-	1,185,445	1,185,445	-
Purchase/treatment:						
Water	1,963,600	-	-	-	1,963,600	-
Sewer	-	1,405,093	-	-	1,405,093	-
Street lighting	-	-	-	85,307	85,307	-
Telecommunications	-	-	-	965,249	965,249	-
Depreciation	1,014,695	134,975	212,623	-	1,362,293	413,458
Total operating expenses	5,475,588	3,051,664	1,868,044	2,644,254	13,039,550	1,088,142
Operating income (loss)	558,451	321,420	315,647	(326,157)	869,361	172,127
<u>NONOPERATING REVENUES (EXPENSES)</u>						
Interest income	176,806	30,109	44,636	12,452	264,003	135,350
Interest expense	(262,838)	(118,053)	(36,413)	-	(417,304)	-
Gain on equity investment	-	-	-	185,021	185,021	-
Gain on disposal of equipment	-	-	-	-	-	9,798
Total nonoperating revenues (expenses)	(86,032)	(87,944)	8,223	197,473	31,720	145,148
Income before transfers	472,419	233,476	323,870	(128,684)	901,081	317,275
Transfers in	-	-	-	710,584	710,584	200,000
Change in net position	472,419	233,476	323,870	581,900	1,611,665	517,275
Total net position - beginning	23,984,340	6,894,789	4,753,221	2,285,559	37,917,909	4,945,604
Prior period adjustment, see notes	(2,019,299)	-	-	-	(2,019,299)	-
Total net position - ending	\$ 22,437,461	\$ 7,128,265	\$ 5,077,091	\$ 2,867,459	\$ 37,510,276	\$ 5,462,879

The accompanying notes are an integral part of this financial statement.

Midvale City
Reconciliation of Revenues, Expenses, and Changes in Net Position - Proprietary Funds to
the Statement of Activities
June 30, 2023

Total changes in net position of proprietary funds	\$ 1,611,665
Internal Service fund allocation for current year	<u>90,657</u>
Total business-type net position	<u><u>\$ 1,702,322</u></u>

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Midvale City
Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water	Sewer	Storm Water	Other Proprietary Funds	Total	
Cash flows from operating activities						
Receipts from customers	\$ 8,043,851	\$ 3,344,527	\$ 2,175,899	\$ 2,317,596	\$ 15,881,873	\$ 1,446,198
Payments to suppliers	(2,739,836)	(1,678,418)	(360,990)	(2,517,897)	(7,297,141)	(290,800)
Payments for interfund services	(651,862)	(341,000)	(407,473)	-	(1,400,335)	(243,059)
Payments to employees	(1,068,359)	(750,155)	(914,279)	(37,784)	(2,770,577)	(194,111)
Other operating revenues (expenses)	-	-	-	-	-	-
Net cash provided (used) by operating activities	3,583,794	574,954	493,157	(238,085)	4,413,820	718,228
Cash flows from noncapital financing activities						
Decrease in contracts receivable	-	-	-	13,080	13,080	-
Decrease in notes receivable	-	-	-	(295,604)	(295,604)	-
Transfers (to) from other funds	-	-	-	710,584	710,584	200,000
Net cash provided (used) by noncapital financing activities	-	-	-	428,060	428,060	200,000
Cash flows from capital and related financing activities						
Purchase of capital assets	5,059	(31,738)	-	-	(26,679)	(871,364)
Proceeds from sale of capital assets	-	-	-	-	-	76,748
Principal paid on capital debt	(1,071,585)	(227,997)	(429,170)	(13,390)	(1,742,142)	-
Interest and fees paid on capital debt	(276,898)	(118,816)	(37,853)	-	(433,567)	-
Net cash provided (used) by capital and related financing activities	(1,343,424)	(378,551)	(467,023)	(13,390)	(2,202,388)	(794,616)
Cash flows from investing activities						
Interest received	176,806	30,109	44,636	12,452	264,003	135,350
Net cash provided by investing activities	176,806	30,109	44,636	12,452	264,003	135,350
Net increase (decrease) in cash and cash equivalents	2,417,176	226,512	70,770	189,037	2,903,495	258,962
Cash and cash equivalents, beginning of year	3,256,461	1,112,062	1,326,503	315,416	6,010,442	3,304,317
Cash and cash equivalents, end of year	\$ 5,673,637	\$ 1,338,574	\$ 1,397,273	\$ 504,453	\$ 8,913,937	\$ 3,563,279
Unrestricted cash	612,288	1,065,944	1,397,187	504,453	3,579,872	3,563,277
Restricted cash	5,061,349	272,628	84	-	5,334,061	-
	\$ 5,673,637	\$ 1,338,572	\$ 1,397,271	\$ 504,453	\$ 8,913,933	\$ 3,563,277

The accompanying notes are an integral part of this financial statement.

Midvale City
Statement of Cash Flows - Proprietary Funds (Continued)
For the Fiscal Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water	Sewer	Storm Water	Other Proprietary Funds	Total	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 558,451	\$ 321,420	\$ 315,647	\$ (326,157)	\$ 869,361	\$ 172,127
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	1,014,695	134,975	212,623	-	1,362,293	413,458
Changes in assets and liabilities:						
Accounts receivable	(9,487)	(36,409)	(7,792)	(7,471)	(61,159)	183,839
Inventory	79,970	-	-	-	79,970	-
Deposits	13,303	7,852	13,372	79,655	114,182	2,087
Contracts receivable	-	-	-	1,015	1,015	-
Accounts payable	(24,587)	147,851	(5,783)	11,318	128,799	(48,914)
Accrued liabilities	(67,850)	(735)	(34,910)	3,555	(99,940)	(4,369)
Unearned Revenue	2,019,299	-	-	-	2,019,299	-
Net cash provided (used) by operating activities	\$ 3,583,794	\$ 574,954	\$ 493,157	\$ (238,085)	\$ 4,413,820	\$ 718,228

The accompanying notes are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

Midvale City
Notes to the Financial Statements
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The basic financial statements of Midvale City Corporation (“the City”) have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Midvale City Corporation was incorporated in 1909. The City operates under a Mayor/Council form of government. As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization or there is a potential for that organization 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). The component units discussed below are included as part of the City’s reporting entity as blended component units.

Component Units

The Midvale City Redevelopment Agency (RDA) was established to prepare and carry out plans to improve, rehabilitate, and redevelop blighted areas within the City. The RDA is governed by a board of trustees composed of the City Mayor and members of the City 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 Midvale City Municipal Building Authority (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 City 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 is included in these financial statements as the Municipal Building Authority Special Revenue Fund. Separate financial statements are not issued for the MBA.

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 non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Midvale City
Notes to the Financial Statements
June 30, 2023

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 goods, services or privileges provided by a given function or segment and 2) Grants and contributions that are restricted to meeting the operational or capital requirements of a particular 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, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and 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.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

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. 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 and claims and judgments, are recorded only when payment is due. Governmental funds do not report donated capital assets received unless the sale of those assets is imminent. The assets are reported in the government-wide financial statements.

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 so 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 means 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. Justice Court fines assessed prior to year-end and collected within 60 days are recognized as revenues in the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

Midvale City
Notes to the Financial Statements
June 30, 2023

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The *Capital Projects Fund* accounts for the financial resources to be used for the acquisition or construction of the major capital facilities of the government (other than those financed by enterprise or internal service funds).

The *Debt Service Fund* accounts for the financial resources to be used for long-term debt and interest for Midvale City (not including debt issued by the RDA, MBA, or enterprise funds).

The *Redevelopment Agency Special Revenue Fund* is used to account for financial resources legally restricted to be used for the revitalization of blighted areas within the City. The primary revenue source for the Redevelopment Agency is tax increment revenues from Midvale City and other participating taxing entities. Tax increment financing is a tool used to promote economic development by earmarking property tax revenue from increases in assessed values within a designated project area. The Redevelopment Agency is a legally separate entity and is being included in the financial statements as a blended component unit.

The *Municipal Building Authority Special Revenue Fund* is used to account for financial resources legally restricted to be used for the design and construction of capital assets for the benefit of the City. The primary revenue source for the Municipal Building Authority is lease revenue from the users of those assets. Midvale City is the major tenant as the lessee of City Hall and the Justice Court. The Municipal Building Authority is a legally separate entity being included in the financial statements as a blended component unit. The Municipal Building Authority Fund is the only fund of this blended component unit.

The City reports the following major proprietary funds:

The *Water Fund* and *Sewer Fund* accounts for the activities of the City's water distribution system and sewer operations. The activities of the water and sewer operations are reported separately in this financial report.

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

Additionally, the City reports the following fund types:

Internal Service Funds account for services provided to other departments or agencies of the government on a cost reimbursement basis. Midvale City operates two Internal Service Funds; Fleet Management and Information Technology Services.

The *Street Lighting Fund* (proprietary fund) accounts for the activities of the City's street lighting services. The *Telecommunications Fund* (proprietary fund) accounts for the activities of the City's UTOPIA operations. The *Sanitation Fund* (proprietary fund) accounts for the activities of the City's sanitation collection operations.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are charges for the City's water, sewer, and storm water services to the various other departments of the City. Elimination of these charges would distort the direct costs and

Midvale City
Notes to the Financial Statements
June 30, 2023

program revenues reported for 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 all enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds includes the cost 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.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

Cash, Cash Equivalents, and Investments

Cash and cash equivalents are generally considered short term, highly liquid investments with a maturity of three months or less from the purchase date.

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

Activity 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".

Other receivables at June 30, 2023 consist of property tax, franchise tax, sales tax, grants, fines, and accounts (billings for user charged services, including unbilled utility services). Taxes, grants and fines are deemed collectible in full. The allowance for doubtful proprietary account receivables at June 30, 2023 is \$25,343.

Inventory

Inventory represents mainly supplies and parts used for various water fund projects. Inventories of governmental funds are recorded as expenditures when consumed rather than purchased (consumption method). Inventory is valued using the first-in/first-out (FIFO) method at cost in governmental funds, and otherwise at the lower of cost or market.

Prepaid Items

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. Midvale uses the consumption method for treatment of prepaid items.

Midvale City
Notes to the Financial Statements
June 30, 2023

Capital Assets

Capital assets, which include land, buildings, infrastructure and equipment, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at estimated acquisition value as of 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.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Buildings	25 to 50 years
Infrastructure	10 to 40 years
Improvements other than buildings	20 to 30 years
Machinery and equipment	5 to 30 years

Compensated Absences

For governmental funds amounts of vested or accumulated vacation leave and comp time that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net assets and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation leave and comp time of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. Sick pay amounts are charged to expenditures when incurred. At the end of the first full pay period in January, 50% of accrued sick leave in excess of 480 hours will be contributed to the employee’s retirement health savings plan. After this contribution, employees may convert 25 percent of remaining accrued sick leave in excess of 240 hours to vacation leave. Employees may carry a maximum of 240 hours of vacation leave forward to the next calendar year; the balance of unused vacation leave is forfeited. Unused vacation leave and comp time is paid to the employee upon termination. For governmental funds, any compensated absence liability has typically been liquidated by the General Fund.

Midvale City
Notes to the Financial Statements
June 30, 2023

Deferred Inflows and Outflows of Resources

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

Governmental funds report revenue that is unavailable as deferred inflows of resources. Governmental funds report unavailable revenue from property taxes, federal grants, court fines, and code enforcement liens. These amounts are deferred and recognized as revenue in the period that the amounts become available.

Deferred outflows of resources represent a consumption of net assets that applies to a future periods and is therefore deferred until that time. As of June 30, 2023 the recorded deferred outflows and inflows of resources were related to pensions, with additional deferred inflows originating from RDA activities and property taxes.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the 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 assets. Bond premiums, and discounts are deferred and 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, during the current period. The face amount of debt issued and bond premiums are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance

Governmental fund balance is reported in five separate categories: Nonspendable, restricted, committed, assigned, and unassigned. When both restricted and unrestricted fund balance is available for use, it is the City's policy to use restricted fund balance first. When expenditures qualify for more than one unrestricted fund balance classification, it is the City's policy to use resources in the following order: committed, assigned, and then unassigned.

Nonspendable fund balance cannot be spent because it is not in spendable form, for example, inventory. Restricted fund balance has restrictions imposed by parties outside of the primary government. Committed fund balance represents funds restricted for a specific use by resolution of the Midvale City Council. Assigned fund balance is earmarked for certain purposes without formal resolution of the City Council and remaining positive fund balances for other governmental funds. There is currently no body or official authorized by the City to assign fund balance. This category also includes fund balance appropriated in the subsequent year's budget through City Council resolution. Finally, any remaining fund balance is unassigned and available for unrestricted use.

The general fund is the only fund that reports a positive unassigned fund balance amount and it is inappropriate to do so in other governmental funds. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Midvale City
Notes to the Financial Statements
June 30, 2023

Restricted Assets

Restricted assets are comprised of cash restricted for future payments of principal and interest on debt service as well as unexpended portions of bonds issued for capital construction purposes. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Pensions

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

The general fund is typically used to liquidate pension/OPEB liabilities.

Investments are reported at fair value.

Taxes

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.

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

Midvale City
Notes to the Financial Statements
June 30, 2023

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of 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 assets versus the current financial resources focus of the governmental fund balance sheets.

Capital related items:

When capital assets (property, plant and equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the City as a whole.

Cost of capital assets	\$ 156,640,577
Accumulated depreciation	<u>(48,387,784)</u>
Total difference	<u>\$ 108,252,793</u>

Long-term debt transactions:

Long-term liabilities applicable to the City’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financials. All liabilities (both current and long-term) are reported in the statement of net position. Balances at June 30, 2023 were:

Lease revenue bonds	\$ 5,155,000
Tax revenue bonds	35,999,000
Direct Borrowings	6,962,744
Bond issuance premiums	2,900,586
Compensated absences	<u>479,191</u>
Total difference	<u>\$ 51,496,521</u>

Midvale City
Notes to the Financial Statements
June 30, 2023

Explanation of Certain Differences between Governmental Fund Operating Statements and the Statement of Activities

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 assets of governmental activities as reported in the government-wide statement of activities. The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the net difference, the elements of this difference are as follow:

Capital outlay	\$ 1,209,803
Depreciation expense	<u>(2,436,967)</u>
Net difference, as reported	<u>\$ (1,227,164)</u>

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Midvale City
Notes to the Financial Statements
June 30, 2023

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

On or before the first regularly scheduled Council meeting in May, the City Manager (as the Budget Officer) submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the proposed sources of revenues.

Between May 1 and June 30, the City Council reviews and adjusts the proposed budget. On or before June 30, a public hearing is held and the budget is legally adopted through passage of a resolution. If a property tax increase is anticipated, adoption of the budget is delayed until August in order to comply with the state's truth-in-taxation requirements.

After the budget is adopted, the City Manager may transfer any unencumbered or unexpended appropriation amount from one expenditure account to another within a department. The City Council may, by resolution, transfer any unencumbered or unexpended appropriation amount from one department in a fund to another department within the same fund.

When the City Council determines that an emergency exists, such as widespread damage from fire, flood, or earthquake, the Mayor's declaration of an emergency allows for necessary spending for immediate needs.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Projects Funds. In the General Fund, budgets are adopted at the functional level and budgetary control is exercised at the departmental level.

In special Revenue Funds, budgets are adopted, and control is exercised at the level of total expenditures for each individual fund. For Capital Projects Funds, budgets are adopted, and control is exercised at the project level.

Annual budgets for the General Fund, all Special Revenue Funds, and all Capital Projects Funds are legally adopted by the City and are prepared on the modified accrual basis of accounting.

Encumbrances (commitments related to unperformed purchase orders or contracts for goods or services) are used only as an internal management control device during the year. The City does not have any encumbrances outstanding at year end since appropriations lapse at year end. However, encumbered amounts are generally re-appropriated and honored as part of the following year's budget.

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 such budgets for governmental funds.

Midvale City
Notes to the Financial Statements
June 30, 2023

4. DETAILED NOTES FOR ALL FUNDS

Deposits

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 does not have a formal deposit policy for bank deposit custodial credit risk. The City's policy for managing custodial credit risk is to adhere to the Utah Money Management Act. The Act requires all deposits of the City to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Council. At times during the year, the City's bank balances may have exceeded the insured levels under FDIC guidelines. As of June 30, 2023, \$1,455,376 of the City's bank balances of \$1,705,376 were uninsured and uncollateralized.

Investments

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The City follows the requirements of the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of 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 State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Act defines the types of securities authorized as appropriate investments for the City's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, certified investment advisors, or directly with issuers of the investment securities.

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government-sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed-rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund.

Midvale City
Notes to the Financial Statements
June 30, 2023

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (*Utah Code*, Title 51, Chapter 7). The Act established the Money Management Council, which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. 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 operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by Generally Accepted Accounting Principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities that the City can access. Since valuations are based on quoted prices that are readily and regularly available in an active market, the valuation of these securities does not entail any significant degree of judgement. Securities classified as Level 1 inputs include U.S. Government securities and other U.S. Agency and sovereign government obligations.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Securities classified as Level 2 include corporate and municipal bonds, and "brokered" or securitized certificates of deposit.

Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

On June 30, 2023, the City had the following recurring fair value measurements:

Security Type	Level 1	Level 2	Level 3	Other	Total
PTIF	\$ -	\$ 34,402,196	\$ -	\$ -	\$ 34,402,196
CD	-	3,396,682	-	-	3,396,682
Corporate	-	749,523	-	-	749,523
US Treasury	69,358	-	-	-	69,358
Money Market Funds	800,607	-	-	-	800,607
International Sweep	1,264,546	-	-	-	1,264,546
	<u>\$ 2,134,512</u>	<u>\$ 38,548,401</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,682,913</u>

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities.

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For securities that generally have market prices from multiple sources, it can be challenging to select the best individual price, and the best source one day may not be the best source on the following day. The solution is to report a “consensus price” or a weighted average price for each security. The City receives market prices for these securities from a variety of industry-standard data providers (e.g., Bloomberg), security master files from large financial institutions, and other third-party sources. Through the help of an investment advisor, the City uses these multiple prices as inputs into a distribution-curve based algorithm to determine the daily fair value. For U.S. Treasuries, Money Markets, and U.S. Agencies, the City uses quoted prices for identical securities in markets that are active.

Debt securities classified in Level 2 are valued using the following approaches:

- Corporate and Municipal Bonds and Commercial Paper: Quoted prices for similar securities in active markets.
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: Matrix pricing based on the securities’ relationship to benchmark quoted prices.
- Bond Mutual Funds: Published fair value per share (unit) for each fund.
- Utah Public Treasurers’ Investment Fund: Application of the June 30, 2023, fair value factor, as calculated by the Utah State Treasurer, to the City’s average daily balance in the fund.
- Donated Real Estate: recent appraisals of the real estate’s value.

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’s policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers’ acceptances, fixed-rate negotiable certificates of deposits, and fixed-rate corporate obligations to 270 days-15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury, obligations issued by U.S. government-sponsored enterprises, and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate corporate note securities may not have a remaining term to final maturity exceeding three years.

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As of June 30, 2023, the City's investments had the following maturities:

Investment Type	Investment Maturities (in years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
PTIF	\$ 34,402,196	\$ 34,402,196	\$ -	\$ -	\$ -
CD	3,396,682	622,129	2,774,554	-	-
Corporate	749,523	149,467	600,056	-	-
US Treasury	69,358	-	69,358	-	-
Money Market Funds	800,607	800,607	-	-	-
International Sweep	1,264,546	1,264,546	-	-	-
	<u>\$ 40,682,913</u>	<u>\$ 37,238,946</u>	<u>\$ 3,443,967</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk

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 Money Management Act, as previously discussed.

At June 30, 2023, the City's investments had the following quality ratings:

Investment Type	S&P Rating					
	Fair Value	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	Unrated
PTIF	\$ 34,402,196	\$ -	\$ -	\$ -	\$ -	\$ 34,402,196
CD	3,396,682	-	384,144	709,088	133,142	2,170,309
Corporate	749,523	-	246,465	503,057	-	-
US Treasury	69,358	69,358	-	-	-	-
Money Market Funds	800,607	291,868	-	-	-	508,739
International Sweep	1,264,546	-	-	-	-	1,264,546
	<u>\$ 40,682,913</u>	<u>\$ 361,227</u>	<u>\$ 630,609</u>	<u>\$ 1,212,145</u>	<u>\$ 133,142</u>	<u>\$ 38,345,790</u>

Concentration of Credit Risk

The concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10 percent, depending upon the total dollar amount held in the portfolio.

On June 30, 2023, the City does not hold more than 5 percent of total investments in any single security concentration.

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Notes to the Financial Statements
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Custodial Credit Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Midvale City does have a formal policy for custodial credit risk. All investments, other than bank deposits or funds invested in the Public Treasurer's Investment Fund, are to be held by a third party with securities delivered on delivery versus purchase basis. As of June 30, 2023, Midvale City safe-kept all investments with custodian counterparty Moreton Asset Management, LLC, and all investments which was/were held by the counterparty's trust department or agent are registered in the City's name.

Receivables

Receivables as of June 30, 2023, for the City's individual major funds and non-major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Funds

	General	Debt Service	Capital Projects	RDA	Internal Service	Total
Receivables:						
Taxes	\$ 5,341,757	\$ -	\$ 182,175	\$ 852,665	\$ -	\$ 6,376,597
Accounts and other	-	1,770,363	-	1,787,278	-	3,557,641
Court fines	226,344	-	-	-	-	226,344
Intergovernmental	722,836	-	-	-	-	722,836
Gross receivables	6,290,938	1,770,363	182,175	2,639,943	-	10,883,419
Less: allowance for uncollectibles	-	-	-	-	-	-
Net total receivables	\$ 6,290,938	\$ 1,770,363	\$ 182,175	\$ 2,639,943	\$ -	\$ 10,883,419

Business-type Funds

	Water	Sewer	Storm Water	Nonmajor Funds	Total
Receivables:					
Accounts	\$ 782,840	\$ 394,578	\$ 222,097	\$ 193,416	\$ 1,592,931
Contracts	-	-	-	13,565	13,565
Gross receivables	782,840	394,578	222,097	206,981	1,606,496
Less: allowance for uncollectibles	(5,901)	(9,198)	(4,622)	(6,952)	(26,673)
Net total receivables	\$ 776,939	\$ 385,380	\$ 217,475	\$ 200,029	\$ 1,579,823

Land Held for Resale

Land acquired by the Redevelopment Agency (a special revenue fund) and held for resale is accounted for as land held for resale. The land held for resale is reported at cost (which is the lesser of cost or fair value). The cost of land held for resale is held as inventory until the land is sold. Land transferred from infrastructure assets of the City is recorded at a nominal amount for accountability purposes. When the Redevelopment Agency sells land, the proceeds are recorded as revenue at an amount greater than or less than the carrying amount, the resulting gain/loss is accounted for as another financing source/use. Revenue on sale of land held for resale is recognized when measurable and available.

Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the government funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (General Fund)	\$ 3,087,606	-
Property taxes receivable (RDA Fund)	852,665	-
Court fines receivable (General Fund)	225,787	-
Loans receivable (RDA Fund)	-	-
Code enforcement liens receivable (General Fund)	<u>916</u>	<u>-</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 4,166,974</u>	<u>\$ -</u>

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Midvale City
Notes to the Financial Statements
June 30, 2023

Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	07/01/22	Increases	Decreases	06/30/23
<u>Governmental activities</u>				
Capital assets, not depreciated:				
Land	\$ 65,065,740	\$ -	\$ -	\$ 65,065,740
Construction in progress	20,046	102,790	(20,046)	102,790
Total capital assets, not depreciated	65,085,786	102,790	(20,046)	65,168,530
Capital assets, depreciated:				
Buildings	27,066,336	-	-	27,066,336
Improvements other than buildings	4,448,384	48,340	-	4,496,724
Infrastructure	56,758,500	1,058,152	-	57,816,651
Machinery and equipment	6,057,721	875,134	(98,851)	6,834,004
Total capital assets, depreciated	94,330,941	1,981,626	(98,851)	96,213,716
Accumulated depreciation:				
Buildings	(5,804,995)	(553,003)	-	(6,357,998)
Improvements other than buildings	(1,027,053)	(159,198)	-	(1,186,251)
Infrastructure	(37,657,916)	(1,593,493)	-	(39,251,408)
Machinery and equipment	(3,890,193)	(544,732)	53,137	(4,381,787)
Total accumulated depreciation	(48,380,158)	(2,850,425)	53,137	(51,177,444)
Total capital assets, depreciated (net)	45,950,783	(868,799)	(45,714)	45,036,271
Net governmental capital assets	\$ 111,036,570	\$ (766,009)	\$ (65,759)	\$ 110,204,802

Midvale City
Notes to the Financial Statements
June 30, 2023

Capital asset activity for the year ended June 30, 2023 was as follows (continued):

	07/01/22	Increases	Decreases	06/30/23
<u>Business-type activities</u>				
Capital assets, not depreciated:				
Water stock and rights	\$ 3,081,299	\$ -	\$ -	\$ 3,081,299
Land	115,062	-	-	115,062
Construction in progress	77,818	-	-	77,818
	<u>3,274,179</u>	<u>-</u>	<u>-</u>	<u>3,274,179</u>
Total capital assets, not depreciated				
	<u>3,274,179</u>	<u>-</u>	<u>-</u>	<u>3,274,179</u>
Capital assets, depreciated:				
Buildings	4,174,626	-	-	4,174,626
Improvements other than buildings				
Water	41,346,082	-	-	41,346,082
Sewer	5,218,985	-	-	5,218,985
Infrastructure	7,010,064	-	-	7,010,064
Machinery and equipment	465,732	37,989	-	503,720
	<u>58,215,489</u>	<u>37,989</u>	<u>-</u>	<u>58,253,477</u>
Total capital assets, depreciated				
	<u>58,215,489</u>	<u>37,989</u>	<u>-</u>	<u>58,253,477</u>
Accumulated depreciation:				
Buildings	(935,079)	(92,423)	-	(1,027,502)
Improvements other than buildings				
Water	(12,797,707)	(952,370)	-	(13,750,078)
Sewer	(1,222,601)	(107,967)	-	(1,330,568)
Street lights	-	-	-	-
Infrastructure	(2,327,795)	(173,877)	-	(2,501,672)
Machinery and equipment	(226,501)	(35,655)	-	(262,156)
	<u>(17,509,683)</u>	<u>(1,362,293)</u>	<u>-</u>	<u>(18,871,976)</u>
Total accumulated depreciation				
	<u>(17,509,683)</u>	<u>(1,362,293)</u>	<u>-</u>	<u>(18,871,976)</u>
Total capital assets, depreciated (net)				
	<u>40,705,806</u>	<u>(1,324,304)</u>	<u>-</u>	<u>39,381,501</u>
Net business-type capital assets	\$ 43,979,985	\$ (1,324,304)	\$ -	\$ 42,655,680

Midvale City
Notes to the Financial Statements
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In the government-wide financial statements depreciation was charged as follows by program or activity:

Governmental activities:	
General Government	\$ 302,560
Public Safety	72,900
Highways and Public Improvements	1,607,307
Parks, Recreation, and Public Property	454,200
Capital assets held by the government's Internal Service Funds are charged to various functions based on their usage of assets	<u>413,458</u>
Total depreciation expense - governmental activities	<u>\$ 2,850,425</u>
Business-type activities:	
Water	\$ 1,014,695
Storm water	212,623
Sewer	<u>134,974</u>
Total depreciation expense - business-type activities	<u>\$ 1,362,292</u>

As of June 30, 2023, the City had construction commitments of \$332,562 for unfinished projects.

Investments in and Advances to Joint Ventures and Intangible Assets

South Valley Water Reclamation Facility

The Sewer fund has an investment in the South Valley Water Reclamation Facility (SVWRF). SVWRF was created by an Interlocal Cooperative Agreement dated June 23, 1978, for the purpose of developing, acquiring, constructing, financing, maintaining, repairing, and operating a regional sewage and water treatment plant and related facilities located in the south part of Salt Lake County. On May 20, 2004, the Interlocal Agreement was amended for the purpose of converting SVWRF to a separate legal entity (a special district under State law rather than a joint administrative entity) and to clarify ownership status, facilitate transfers of ownership, and clarify capacity rights. The City uses the cost method rather than the equity method for reporting purposes.

During fiscal year 2012, SVWRF completed an expansion project increasing the operation from 38 million gallons per day to 50 million gallons per day. The right to the capacity has been adjusted in accordance with the proportion of the expansion paid by the participating entity. Participation in plant expansion is not required.

Midvale City
Notes to the Financial Statements
June 30, 2023

The following entities have capacity rights as of December 31, 2022.

Entity	Percent	Capacity
		(in millions of gallons per day)
South Valley Sewer District	38.72%	19.36
West Jordan City	36.44%	18.22
Sandy Suburban Improvement District	11.00%	5.50
Midvalley Improvement District	7.68%	3.84
Midvale City Corporation	6.16%	3.08
	<u>100.00%</u>	<u>50.00</u>

Each entity appoints one member to the Board. Voting power is not related to ownership, therefore, each entity is equal to another for voting privileges. Each entity is billed its share of operating costs based on the entity's metered usage. The City paid operating costs of \$1,376,434 and made no capital contributions to SVWRF in fiscal year ended June 30, 2023. Future capital contributions are anticipated.

The complete financial statements for South Valley Water Reclamation Facility for the year ended December 31, 2022 can be obtained from South Valley Water Reclamation Facility, 7495 South 1300 West, West Jordan, UT 84084-3417.

Trans-Jordan Cities Landfill

The Trans-Jordan Association was organized May 22, 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.

As of June 30, 2023, the City has a 5.2 percent ownership share in the Trans-Jordan Cities (the Association) joint enterprise. The City's equity in the net resources of the Association at June 30, 2023 is reported in the government-wide statement of net position.

Tipping fees paid from the Sanitation Fund to Trans-Jordan Cities were \$223,584 for fiscal year 2023.

The complete financial statements for Trans-Jordan Cities may be obtained from Trans-Jordan Cities, 10473 South Bacchus Highway, South Jordan, UT 84009-6002.

Midvale City
Notes to the Financial Statements
June 30, 2023

Valley Emergency Communications Center

The City is a member of Valley Emergency Communications Center (VECC). VECC was organized June 30, 1988, as a joint enterprise between several cities and Salt Lake County. 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 by the annual budget. VECC determines the 911 assessments for the telephone users within the member's jurisdictions.

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

Utah Telecommunications Open Infrastructure Network

The City is one of 11 founding members of the Utah Telecommunications Open Infrastructure Network (UTOPIA), formed by an interlocal cooperative agreement organized under the laws of the State of Utah. UTOPIA was created to design, finance, build, operate and maintain an open, wholesale, public Telecommunication infrastructure that delivers high-speed connections to every home and business in the member communities. UTOPIA is jointly owned by the members. No equity investment has been recorded by the City since UTOPIA continues to report a net assets deficit. As of June 30, 2022, the net position deficit was \$311,501,875 (June 30, 2023 financial statements were not available at the time of this publication).

The City is a pledging member and has pledged sales and use tax revenues to partially guarantee payment of UTOPIA's bonds. In return for the pledge, the City was among the first cities to receive UTOPIA's services. In July 2008, UTOPIA issued \$185,000,000 in revenue bonds. The first two years of bond payments were made from a debt reserve fund. In December 2011, UTOPIA refinanced the bond. From that point on, until the bonds are due in July 2026, net revenues from UTOPIA will reimburse the debt service reserve fund for payments on the bond debt. To the extent that there are insufficient net revenues to pay the debt service, the 11 pledged members are required to reimburse the UTOPIA debt service fund of any shortfall by their respective percentages up to a specific dollar amount. Any amount paid by Pledging Members to UTOPIA to reimburse the debt service reserve fund will be a loan to be repaid by UTOPIA.

The City's annual commitment increases by 2% each year, and ranges from \$950,813 in Fiscal Year 2023 to \$1,331,367 in Fiscal Year 2040. Cumulative pledge payments made by the City to UTOPIA total \$10,326,572. If or when the UTOPIA network is substantially built out and running successfully, repayment from UTOPIA of all or part of these pledge payments is possible. The City currently expends its annual pledge payment.

Midvale City
Notes to the Financial Statements
June 30, 2023

Utah Infrastructure Agency

The City is one of nine member cities of the Utah Infrastructure Agency (UIA), formed by an interlocal cooperative agreement organized under the laws of the State of Utah. The UIA was established on July 6, 2010, for the purpose of financing, constructing, equipping, and operating an open, wholesale, advanced communications infrastructure utility system throughout the City and interconnection with other members of the UIA. The UIA has issued debt of approximately \$497 million (as of June 30, 2022). The City pledged energy sales and use tax revenue toward its share of any debt service fund shortfall. The anticipated pledge amount is 6.6 percent of the annual debt service fund shortfall. Any bonds or debt issued or incurred by UIA will not constitute debt of the City. As of June 30, 2022 (the last date audited financial statements are available), the net position was \$(201,591) deficit .

Unified Police Department (UPD)

The UPD is a Police Department, run by the Salt Lake County Sherriff that serves the following Salt Lake County entities: City of Holladay, Midvale City, Millcreek City, Brighton Town, and the unincorporated areas of Salt Lake County. The UPD allows communities to have comprehensive police services at a lower cost. By combining a variety of police services such as SWAT, forensics, records, canine, and media services under one organization, communities can share the costs with other communities, saving local governments and reducing the tax burden of citizens.

The UPD is run by a Board of Directors consisting of elected officials from the communities served. Day-to-day operations are run by the Sheriff. In addition to managing shared services, the Sheriff oversees local precincts, each with its own Chief who is chosen by each respective community. Chiefs run each local precinct and have authority over local operations such as Community Oriented Policing, traffic, patrol, and crossing guards. This flexible structure allows participating communities to take advantage of the cost savings and efficiencies of pooled services while retaining local control over precinct-level operations.

The annual budget for the UPD is formally adopted by the UPD Board of Directors, of which the Midvale City Mayor is a full member with full voting rights. The City paid \$11,351,484 in member assessment fees in fiscal year 2023.

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Midvale City
Notes to the Financial Statements
June 30, 2023

Interfund Receivable, Payables and Transfers

During fiscal year 2023, a number of transfers were made which will not be repaid. Such amounts for the fiscal year ended June 30, 2023 were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Purpose</u>	<u>Amount</u>
General Fund	Capital Projects Fund	Budgeted capital projects	\$ 1,987,600
General Fund	Debt Service Fund	Debt payment	1,157,961
General Fund	Telecommunications	UTOPIA pledge payment	702,484
General Fund	Sanitation Fund	General Operations	8,100
RDA	Debt Service Fund	Debt payment	449,132
General Fund	IT Fund	Purchase assets	200,000
			<u>\$ 4,505,277</u>

<u>Fund</u>	<u>Transfer Out</u>	<u>Transfer In</u>
General	\$ 4,056,145	\$ -
RDA	449,132	
Debt Service	-	1,607,093
Capital Projects	-	1,987,600
IT	-	200,000
Telecommunications	-	702,484
Sanitation		8,100
	<u>\$ 4,505,277</u>	<u>\$ 4,505,277</u>

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The City currently has no general obligation bonds.

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Midvale City
Notes to the Financial Statements
June 30, 2023

Revenue Bonds

The City has issued bonds where the revenues and assets of the issuing fund are pledged as security for the bonds.

Revenue bonds outstanding at June 30, 2023 by issue are as follows:

Bond Description	Original Issue	Annual Principal	Interest Rate	Final due date	Balance 6/30/2023
Water, Sewer, and Storm Revenue Series 2020	\$ 8,175,000	\$514,000 to \$906,000	1.36%	10/1/2030	\$ 6,502,000
RDA Revenue Series 2015	12,961,000	\$606,000 to \$940,000	2.06% to 2.62%	5/1/2034	9,094,000
RDA Refunding Series 2017	17,670,000	\$925,000 to \$1,675,000	4.00% to 5.00%	5/1/2034	14,775,000
RDA Revenue Series 2018	7,570,000	\$385,000 to \$730,000	5.00%	5/1/2034	6,355,000
MBA Series 2012	8,990,000	\$235,000 to \$520,000	2.00% to 3.50%	10/15/2038	5,155,000
Sales Tax Revenue Series 2017	8,340,000	\$155,000 to \$745,000	2.00% to 4.00%	5/1/2032	5,775,000
Water and Sewer Series 2007C	5,050,000	\$208,000 to \$303,000	2.00%	10/1/2029	1,999,000
Water/Sewer/Storm Ref Series 2016	4,490,000	\$230,000 to \$395,000	2.00% to 4.00%	10/1/2032	3,270,000
Water/Sewer/Storm Series 2018	6,225,000	\$155,000 to \$380,000	3.00% to 5.00%	10/1/2043	5,470,000
Water and Sewer Series 2012	1,537,000	\$86,000 to \$124,000	2.90%	4/1/2027	475,000
	<u>\$ 81,008,000</u>				<u>\$ 58,870,000</u>

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Midvale City
Notes to the Financial Statements
June 30, 2023

Revenue bond debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2024	\$ 4,924,000	\$ 2,143,955	\$ 7,067,955
2025	4,822,000	1,975,163	6,797,163
2026	4,998,000	1,801,276	6,799,276
2027	5,160,000	1,628,372	6,788,372
2028 to 2032	25,855,000	5,333,947	31,188,947
2033 to 2037	9,976,000	1,263,130	11,239,130
2038 to 2042	2,390,000	329,353	2,719,353
2043 to 2047	745,000	27,278	772,278
	<u>\$ 58,870,000</u>	<u>\$ 14,502,475</u>	<u>\$ 73,372,475</u>

The City has pledged sales tax revenue for the Redevelopment Agency (RDA) 2017 Crossover Tax Increment and Sales Tax Refunding Bonds, RDA 2018 Tax Increment and Sales Tax Revenue Bonds, 2017 Midvale City Sales Tax Revenue Bonds, and to partially guarantee Series 2011 Revenue Bonds issued by Utah Telecommunications Open Infrastructure Network (UTOPIA). See notes regarding Interlocal Agreements for more information on UTOPIA. The remaining principal payments total \$46,280,997 (\$21,130,000 RDA, \$5,775,000 Midvale City, and \$19,375,997 UTOPIA). The RDA bonds mature in 2034, Midvale City bonds in 2032, and the UTOPIA bonds in 2040. For the current year, principal and interest paid totaled \$4,242,913 (\$2,515,100 RDA, \$777,000 Midvale City, and \$950,813 UTOPIA), and total sales tax revenues were \$12,306,587. The RDA Revenue Bonds are primarily secured with Tax Increment from the RDA, which is sufficient to cover the debt service on the bonds, and the City does not anticipate using sales tax revenue to make these payments. We estimate that annual principal and interest payments on the UTOPIA bonds will require 8 percent of pledged revenues, and the annual principal and interest payments on the Midvale City sales tax bonds will require 6 percent of pledge revenues. If the City is called upon to pay debt service on the RDA bonds, the total required for all bond series would be 20 percent of pledged revenues.

The City has pledged energy sales and use tax revenue to guarantee that Utah Infrastructure Agency (UIA) fulfills its revenue requirement from the bond agreements. UIA is required by the Series 2017 A&B bond covenants to have revenue equal to the operations expenses and capital costs in a fiscal year. In the event there is a shortfall, the eight pledging cities have agreed to lend energy sales and use tax revenues, limited to a yearly maximum of \$5,151,152. Midvale's share of that pledge is 6.6 percent, or \$339,988. This pledge is in place until the bonds mature in October of 2036. The total amount of the City's pledge through maturity is \$5.8 million. FY2023 revenues from energy sales and use tax were \$2,774,920. If the City is called upon to make a pledge payment, the payment amount would require 12% of pledged revenues. UIA has had sufficient revenue to service the debt, and it is unlikely the City's pledge will be required.

Midvale City
Notes to the Financial Statements
June 30, 2023

The City has pledged water and sewer revenue for the following revenue bonds: Series 2007C and 2012 revenue bonds. The remaining principal and interest payments total \$2,672,074. The 2007C bonds mature in 2030 and the 2012 bonds mature in 2027. For the current year, principal and interest paid totaled \$435,755 water and sewer operating revenues totaled \$9,407,123. We estimate that annual principal and interest payments on the bonds will require 5% of pledged revenues.

The City has pledged storm water utility revenue, along with water and sewer revenue, for the Series 2016, 2018, and 2020 revenue bonds. The remaining principal and interest payments total \$18,921,782. The final bonds (series 2018) mature in fiscal year 2044. For the current year, principal and interest paid totaled \$1,700,497 and revenue from water, sewer, and storm water utilities was \$11,590,814. We estimate that annual principal and interest payments on the bonds will require 15 percent of pledged revenues.

The Redevelopment Agency (RDA) has pledged tax increment revenues to guarantee the 2015, 2017, and 2018 RDA Revenue Bonds. The remaining principal and interest payments total \$38,235,422. The bonds mature in 2034. For the current year, principal and interest paid totaled \$3,482,772. Tax increment revenues were \$8,799,240. We estimate that annual principal and interest payments will require a maximum of 40 percent of pledged revenues.

The Municipal Building Authority (MBA) has pledged lease revenue to guarantee 2012 MBA Revenue bonds. The remaining principal and interest payments total \$6,553,797. The bonds mature in fiscal year 2039. For the current year, principal and interest paid totaled \$675,169. Lease revenues were \$680,419. We estimate that annual principal and interest payments on the bonds will require 100 percent of pledged revenues.

Direct Borrowings

The City has borrowed monies from the Utah State Department of Transportation's State Infrastructure Loan Bank. For the construction of a parking structure. It is essential to clarify these direct borrowings are not intended for future capital purposes.

Direct borrowings outstanding at June 30, 2023 by loan are as follows:

Bond Description	Original Issue	Annual Principal	Interest Rate	Final due date	Balance 6/30/2023
UDOT Parking Structure Loan	\$ 2,163,893	\$198,717 to \$234,595	2.35%	3/31/2031	\$ 1,766,125
2022 SIB Zions Loan	5,500,000	\$311,830 to \$405,946	2.65%	3/1/2037	5,196,618
	<u>\$ 7,663,893</u>				<u>\$ 6,962,743</u>

Midvale City
Notes to the Financial Statements
June 30, 2023

Direct borrowings debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2024	\$ 515,149	\$ 192,031	\$ 707,180
2025	528,189	179,314	707,503
2026	541,561	166,274	707,834
2027	555,272	152,902	708,174
2028 to 2032	2,744,963	477,783	3,222,745
2033 to 2037	2,077,610	168,049	2,245,659
	<u>\$ 6,962,743</u>	<u>\$ 1,336,353</u>	<u>\$ 8,299,096</u>

The City has pledged pass-through revenue towards the payment of these direct borrowings as both loans also include agreements with private developers for the full amounts of the loans. These direct borrowings are not for capital purposes and will never represent a capital asset to the City.

Notes Payable

The City entered into a service contract note payable with UIA, wherein the City will bill and collect connection service fees from end users of UTOPIA 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. At June 30, 2023, the note payable balance for services fees collected was \$98,211. During 2012, the City created a telecommunications enterprise fund to account for the activity of this service contract. These notes payable are not for capital purposes and will never represent a capital asset to the City.

Significant Default Event

Significant events of default consist of (a) failure to pay principal or interest when due; (b) failure to fulfill all obligations; and (c) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings. In the event of default, the City may need to make monthly deposits into the bond fund, principal amounts and accelerated interest may become immediately due. Creditors may also pursue other remedies to recoup debts.

Midvale City
Notes to the Financial Statements
June 30, 2023

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2023 are as follows:

	06/30/22	Increases	Decreases	06/30/23	Due in One Year
<u>Governmental activities</u>					
Bonds payable:					
Lease revenue	\$ 5,665,000	\$ -	\$ (510,000)	\$ 5,155,000	\$ 520,000
Tax revenue	38,644,000	-	(2,645,000)	35,999,000	2,752,000
Add: unamortized premiums and discounts	3,326,509	-	(425,923)	2,900,586	-
Total bonds payable	47,635,509	-	(3,580,923)	44,054,586	3,272,000
Direct borrowings	7,465,176	-	(502,432)	6,962,744	515,149
Compensated absences	431,568	68,258	-	499,827	306,605
Governmental activities, long-term liabilities	<u>\$ 55,532,253</u>	<u>\$ 68,258</u>	<u>\$ (4,083,355)</u>	<u>\$ 51,517,157</u>	<u>\$ 4,093,754</u>
<u>Business-type activities</u>					
Bonds payable:					
Water, Sewer and Storm Drain	\$ 19,346,000	\$ -	\$ (1,630,000)	\$ 17,716,000	\$ 1,652,400
Add: unamortized premium	651,078	-	(92,020)	559,058	51,621
Total bonds payable	19,997,078	-	(1,722,020)	18,275,058	1,704,021
Direct borrowings	111,601	-	(13,390)	98,211	-
Compensated absences	208,538	27,459	(2,605)	233,392	165,506
Business-type activities, long-term liabilities	<u>\$ 20,317,217</u>	<u>\$ 27,459</u>	<u>\$ (1,738,015)</u>	<u>\$ 18,606,661</u>	<u>\$ 1,869,527</u>

Compensated absences for governmental activities are generally liquidated by the General Fund.

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 participates in the Utah Local Government Insurance Trust (Trust), a public entity risk pool to manage its risk of loss. The City pays an annual premium to the trust for its general insurance coverage. The Trust was created to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of one million dollars for each insured event. As of June 30, 2023, there were no outstanding unpaid claims. Also, the City had no claim settlements during the three years ending June 30, 2023 which exceeded its insurance coverage.

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 material adverse effect on the financial condition of the City.

Midvale City
Notes to the Financial Statements
June 30, 2023

Redevelopment Agency

In connection with the activities of the Redevelopment Agency (RDA), intergovernmental revenues from property tax increments of other governmental entities totaling \$8,896,634 were generated. The RDA was not required to pay any portion of this revenue to other taxing agencies.

During the year ended June 30, 2023, funds expended by the RDA were limited to the categories of redevelopment, administration, highways and public improvements, and debt service. Redevelopment costs totaled \$421,693, administration costs totaled \$1,759,038, highways and public improvements costs totaled \$828,909 and debt service costs totaled \$3,479,992.

Employee Retirement Systems and Pension Plans

General Information about the Pension Plan

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:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System); is a multiple employer, cost sharing, public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public employee retirement system.

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

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 East 200 South, Salt Lake City, Utah 84102-2021 or visiting the website: www.urs.org.

Midvale City
Notes to the Financial Statements
June 30, 2023

Summary of Benefits by System

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%
Tier 2 Public Employee System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

**Actuarial reductions are applied.*

***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.*

Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2023 are as follows:

	Employee Paid	Employer Contributions Rates	Employer 401(k)
Contributory System			
111 Local Government Div - Tier 2	N/A	16.01%	0.18%
Noncontributory System			
15 Local Government Div - Tier 1	N/A	17.97%	N/A
Tier 2 DC Only			
211 Local Government	N/A	6.19%	10.00%

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

Midvale City
Notes to the Financial Statements
June 30, 2023

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

For the fiscal year ended June 30, 2023, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 454,046	N/A
Tier 2 Public Employees System	545,420	N/A
Tier 2 DC Only System	37,777	N/A
Total Contributions	<u>\$ 1,037,243</u>	<u>\$ -</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 of the Tier 1 Systems.

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

At June 30, 2023, the City reported a net pension asset of \$0 and a net pension liability of \$741,781.

	(Measurement Date): December 31, 2022				
	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Proportionate Share</u>	<u>Proportionate Share December 31, 2018</u>	<u>Change (Decrease)</u>
Noncontributory System	\$ -	\$ 596,738	0.3484096%	0.3537296%	-0.0053200%
Tier 2 Public Employees System	-	145,043	0.1332020%	0.1241807%	0.0090213%
Total net pension asset/liability	<u>\$ -</u>	<u>\$ 741,781</u>			

The net pension asset and liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 and rolled- forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2023, the City recognized pension expense of \$555,457.

Midvale City
Notes to the Financial Statements
June 30, 2023

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 251,395	\$ 5,755
Changes in assumptions	144,885	2,752
Net difference between projected and actual earnings on pension plan investments	452,091	-
Changes in proportion and differences between contributions and proportionate share of contributions	32,172	7,043
Contributions subsequent to the measurement date	507,866	-
Total	\$ 1,388,409	\$ 15,550

The \$507,866 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (73,939)
2024	34,716
2025	185,923
2026	657,241
2027	12,546
Thereafter	48,504

Midvale City
Notes to the Financial Statements
June 30, 2023

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, we recognized pension expense of \$277,434.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources relating to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 202,405	\$ -
Changes in assumptions	97,797	2,383
Net difference between projected and actual earnings on pension plan investments	393,614	-
Changes in proportion and differences between contributions and proportionate share of contributions	6,825	690
Contributions subsequent to the measurement date	214,593	-
Total	\$ 915,234	\$ 3,073

The \$214,593 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (82,223)
2024	17,219
2025	158,100
2026	604,472
2027	-
Thereafter	-

Midvale City
Notes to the Financial Statements
June 30, 2023

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, we recognized pension expense of \$278,022.

At June 30, 2023, we 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	\$ 48,990	\$ 5,755
Changes in assumptions	47,088	369
Net difference between projected and actual earnings on pension plan investments	58,477	-
Changes in proportion and differences between contributions and proportionate share of contributions	25,347	6,353
Contributions subsequent to the measurement date	293,273	-
Total	\$ 473,175	\$ 12,477

The \$293,273 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2023	\$ 8,284
2024	17,497
2025	27,823
2026	52,769
2027	12,546
Thereafter	48,504

Midvale City
Notes to the Financial Statements
June 30, 2023

Actuarial Assumptions

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

Inflation	2.50 percent
Salary Increases	3.25 - 9.25 percent, average, including inflation
Investment Rate of Return	6.85 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2022, valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of assumptions as of January 1, 2021.

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

Asset class:	Expected Return Arithmetic Basis		
	Target Asset Allocation	Arithmetic Basis	expected portfolio real
Equity securities	35.00%	6.58%	2.30%
Debt securities	20.00%	1.08%	0.22%
Real assets	18.00%	5.72%	1.03%
Private equity	12.00%	9.80%	1.18%
Absolute return	15.00%	2.91%	0.44%
Cash and cash equivalents	0.00%	-0.11%	0.00%
	<u>100.00%</u>		<u>5.17%</u>
	Inflation		<u>2.50%</u>
	Expected arithmetic nominal return		<u>7.67%</u>

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

Midvale City
Notes to the Financial Statements
June 30, 2023

Discount Rate

The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

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 (asset) 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:

System	1% Decrease or 5.85%	Discount Rate or 6.85%	1% Increase or 7.85%
Noncontributory System	\$ 3,760,844	\$ 596,738	\$ (2,047,039)
Tier 2 Public Employees System	633,758	145,043	(231,450)
Total	<u>\$ 4,394,602</u>	<u>\$ 741,781</u>	<u>\$ (2,278,489)</u>

Pension Plan Fiduciary Net Position

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

Defined Contribution Savings Plans

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.

Midvale City
Notes to the Financial Statements
June 30, 2023

The City participates in the URS 401(k), Roth IRA, and Traditional IRA plans. Employee and employer contributions to the URS Defined Contribution Savings Plans for fiscal year ended June 30, were as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
401(k) Plan				
Employer Contributions	\$ 81,278	\$ 90,976	\$ 98,786	\$ 87,251
Employee Contributions	93,838	67,525	59,515	45,685
Roth IRA Plan				
Employer Contributions	N/A	N/A	N/A	N/A
Employee Contributions	25,251	23,105	19,375	13,237
Traditional IRA				
Employer Contributions	N/A	N/A	N/A	N/A
Employee Contributions	250	-	-	400

<u>Actuarial calculated pension expense per GASB 68 schedule for Net Pension Liability</u>	
Noncontributory	\$ 277,434
Tier 2 public employees	<u>278,022</u>
Total Pension Expense	<u>\$ 555,456</u>

Subsequent Events

Subsequent events from June 30, 2023 through the date of the audit report, which is the date the financial statements were available to be issued include a water, sewer, and storm water bond issuance in September 2023 for \$9,910,000 to fund capital projects.

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IMPLEMENTATION OF NEW STANDARD AND CORRECTION OF ERRORS

Correction of Errors - During the year, it was identified that the City had not reported note receivables balances in the Debt Service fund for amounts owed to the City as a result of the state infrastructure bank pass through loan with Gardner Company. It was determined the beginning fund balance in the Debt Service fund, as well as the Government-Type Activities should be restated to reflect the expenditure that should not have been recognized and record a corresponding receivable. The effect on net position is the increase of beginning net position by \$1,969,413.

Correction of Errors - During the year, it was identified that the City previously recognized ARPA (American Rescue Plan Act) funds as revenue, which should be reclassified as unearned revenue. This adjustment reflects the funds received, but not yet spent. It was determined the beginning net position in the Water fund, as well as the Business-Type Activities should be restated to reflect the decrease in net position of \$2,019,298, as well as the corresponding increase in unearned revenue.

Correction of Errors - During the year, it was discovered that net income from the IT and Fleet internal service funds for the prior year was inaccurately allocated in the Government-Wide Statements. The correction involved reallocating this net income, which should have been attributed as Internal Balances on the Statement of Net Position. Initially, it was fully allocated to Governmental Activities. As a result of this correction, the Governmental Activities net position has decreased by \$436,115, and the Business-Type Activities net position has increased by the same amount.

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REQUIRED SUPPLEMENTARY INFORMATION



Midvale City
Schedule of the Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*

	Year Ended 12/31	Noncontributory Retirement System	Tier 2 Public Employees Retirement System
Proportion of the net pension liability (asset)	2022	0.3484096%	0.1332020%
	2021	0.3537296%	0.1241807%
	2020	0.3493276%	0.1320274%
	2019	0.3447311%	0.1212015%
	2018	0.3657182%	0.1350688%
	2017	0.3573643%	0.1127146%
	2016	0.3707456%	0.1077038%
	2015	0.3673148%	0.1159186%
Proportionate share of the net pension liability (asset)	2022	\$ 596,738	\$ 145,043
	2021	(2,025,847)	(52,558)
	2020	179,185	18,989
	2019	1,299,246	27,259
	2018	1,573,107	11,013
	2017	2,294,716	12,573
	2016	2,097,880	(258)
	2015	1,594,967	(3,514)
Covered payroll	2022	\$ 2,543,140	\$ 2,898,981
	2021	2,496,511	2,304,959
	2020	2,470,587	2,110,596
	2019	2,554,355	1,684,674
	2018	2,824,864	1,222,311
	2017	2,977,824	924,344
	2016	3,082,556	695,834
	2015	3,126,027	568,393
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	2022	23.46%	5.00%
	2021	-81.15%	-2.28%
	2020	7.25%	0.90%
	2019	50.86%	1.62%
	2018	55.69%	0.90%
	2017	70.06%	1.36%
	2016	68.06%	-0.03%
	2015	51.02%	-0.62%
Plan fiduciary net position as a percentage of the total pension liability (asset)	2022	97.50%	92.30%
	2021	108.7%	103.8%
	2020	99.2%	98.3%
	2019	93.7%	96.5%
	2018	91.9%	97.4%
	2017	87.3%	95.1%
	2016	87.8%	100.2%
	2015	99.2%	103.5%

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

Midvale City
Schedule of Pension Contributions
Last 10 Fiscal Years*

	As of fiscal year ended June 30,	Actuarial determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2014	\$ 539,546	\$ 539,546	\$ -	\$ 3,271,588	16.49%
	2015	556,711	556,711	-	3,044,411	18.29%
	2016	558,513	558,513	-	3,129,703	17.85%
	2017	528,980	528,980	-	2,888,062	18.32%
	2018	510,283	510,283	-	2,765,409	18.45%
	2019	497,592	497,592	-	2,694,057	18.47%
	2020	460,129	460,129	-	2,491,222	18.47%
	2021	446,429	446,429	-	2,417,053	18.47%
	2022	464,306	464,306	-	2,513,842	18.47%
	2023	454,046	454,046	-	2,526,691	17.97%
Tier 2 Public Employees System*	2014	\$ 71,643	\$ 71,643	\$ -	\$ 512,099	13.99%
	2015	91,568	91,568	-	612,905	14.94%
	2016	119,182	119,182	-	800,495	14.89%
	2017	166,245	166,245	-	1,079,233	15.40%
	2018	228,677	228,677	-	1,436,624	15.92%
	2019	255,919	255,919	-	1,639,201	15.61%
	2020	292,879	292,879	-	1,834,048	15.97%
	2021	346,260	346,260	-	2,193,157	15.79%
	2022	391,397	391,397	-	2,435,576	16.07%
	2023	545,420	545,420	-	3,406,746	16.01%
Tier 2 Public Employees DC Only System*	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	1,193	1,193	-	17,748	6.72%
	2016	2,484	2,484	-	37,128	6.69%
	2017	6,819	6,819	-	101,929	6.69%
	2018	15,341	15,341	-	230,754	6.65%
	2019	29,990	29,990	-	437,904	6.85%
	2020	37,021	37,021	-	500,921	7.39%
	2021	50,439	50,439	-	598,944	8.42%
	2022	44,828	44,828	-	508,273	8.82%
	2023	37,777	37,777	-	532,412	7.10%

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

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in the RSI section of their Comprehensive Annual Financial Report. Contributions as a percentage of covered-payroll may be different than the board-certified rate due to rounding and other administrative issues. This schedule presents this information from the date the information was required. Subsequent years will be added as the information becomes available.

Midvale City
Notes to the Required Supplementary Information
June 30, 2023

1. CHANGES IN ASSUMPTIONS

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

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SUPPLEMENTARY INFORMATION



Nonmajor Proprietary Funds

Midvale City
Combining Statement of Net Position—Nonmajor Proprietary Funds
June 30, 2023

	Street Lighting	Sanitation	Telecom	Total
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents				
Unrestricted	\$ 215,858	\$ 240,085	\$ 48,509	\$ 504,452
Receivables:				
Accounts	42,203	142,105	2,156	186,464
Contracts receivable	-	-	13,565	13,565
Deposits	17	17	-	34
Total current assets	258,078	382,207	64,230	704,515
Noncurrent assets:				
Contracts receivable	-	-	89,815	89,815
Notes receivable, net	-	-	266,187	266,187
Investment in Trans-Jordan Cities Landfill	-	2,025,473	-	2,025,473
Total noncurrent assets	-	2,025,473	356,002	2,381,475
Total assets	258,078	2,407,680	420,232	3,085,990
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred outflows related to pensions	1,998	6,911	-	8,909
Total deferred outflows of resources	1,998	6,911	-	8,909
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	19,906	95,734	1,045	116,685
Accrued liabilities	6,399	672	-	7,071
Compensated absences	1,297	1,223	-	2,520
Total current liabilities	27,602	97,629	1,045	126,276
Noncurrent liabilities:				
Notes payable	-	-	98,211	98,211
Net pension liability	1,261	1,632	-	2,893
Total noncurrent liabilities	1,261	1,632	98,211	101,104
Total liabilities	28,863	99,261	99,256	227,380
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflows related to pensions	26	34	-	60
Total deferred inflows of resources	26	34	-	60
<u>NET POSITION</u>				
Unrestricted	231,187	2,315,296	320,976	2,867,459
Total net position	\$ 231,187	\$ 2,315,296	\$ 320,976	\$ 2,867,459

Midvale City
Combining Statement of Revenues, Expenses, and Changes in Net Position Nonmajor Pro-
prietary Funds
For the Year Ended June 30, 2023

	Street Lighting	Sanitation	Telecom	Total
<u>OPERATING REVENUES</u>				
Charges for services	\$ 408,126	\$ 1,354,000	\$ 555,971	\$ 2,318,097
Total operating revenues	408,126	1,354,000	555,971	2,318,097
<u>OPERATING EXPENSES</u>				
Salaries and wages	11,301	14,673	-	25,974
Employee benefits	5,126	4,284	-	9,410
Administration	264,416	108,453	-	372,869
Street lighting	85,307	-	-	85,307
Waste disposal	-	1,185,445	-	1,185,445
Telecommunications	-	-	965,249	965,249
Total operating expenses	366,150	1,312,855	965,249	2,644,254
Operating income (loss)	41,976	41,145	(409,278)	(326,157)
<u>NONOPERATING REVENUES (EXPENSES)</u>				
Interest income	5,338	2,962	4,152	12,452
Gain/(Loss) on equity investment	-	185,021	-	185,021
Total nonoperating revenues (expenses)	5,338	187,983	4,152	197,473
Income before transfers	47,314	229,128	(405,126)	(128,684)
Transfers in	-	8,100	702,484	710,584
Change in net position	47,314	237,228	297,358	581,900
Total net position - beginning	183,873	2,078,068	23,618	2,285,559
Total net position - ending	\$ 231,187	\$ 2,315,296	\$ 320,976	\$ 2,867,459

Midvale City

Combining Statement of Cash Flows - Nonmajor Proprietary Funds For the Year Ended June 30, 2023

	Street Lighting	Sanitation	Telecom	Total
Cash flows from operating activities				
Receipts from customers	\$ 415,345	\$ 1,345,391	\$ 556,860	\$ 2,317,596
Payments to suppliers	(336,810)	(1,261,801)	(919,286)	(2,517,897)
Payments to employees	(16,336)	(21,448)	-	(37,784)
Net cash provided (used) by operating activities	62,199	62,142	(362,426)	(238,085)
Cash flows from noncapital financing activities				
Transfers (to) from other funds	-	8,100	702,484	710,584
Decrease in contracts receivable	-	-	13,080	13,080
Decrease in notes receivable	-	-	(295,604)	(295,604)
Net cash provided by noncapital financing activities	-	8,100	419,960	428,060
Cash flows from capital and related financing activities				
Decrease in notes payable	-	-	(13,390)	(13,390)
Net cash provided by capital and related financing activities	-	-	(13,390)	(13,390)
Cash flows from investing activities				
Interest received	5,338	2,962	4,152	12,452
Net cash provided by investing activities	5,338	2,962	4,152	12,452
Net increase (decrease) in cash and cash equivalents	67,537	73,204	48,296	189,037
Cash and cash equivalents, beginning of year	148,319	166,882	215	315,416
Cash and cash equivalents, end of year	215,856	240,086	48,511	504,453
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	41,976	41,145	(409,278)	(326,157)
Depreciation				-
Changes in assets and liabilities:				
Accounts receivable	1,264	(8,609)	(126)	(7,471)
Deposits	269	283	79,103	79,655
Contracts receivable	-	-	1,015	1,015
Accounts payable	12,644	31,814	(33,140)	11,318
Accrued liabilities	6,046	(2,491)	-	3,555
Net cash provided (used) by operating activities	\$ 62,199	\$ 62,142	\$ (362,426)	\$ (238,085)

Midvale City
Combining Statement of Net Position—Internal Service Funds
June 30, 2023

	Fleet	IT	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents			
Unrestricted	\$ 2,987,418	\$ 575,859	\$ 3,563,277
Deposits	142	15	157
Total current assets	2,987,560	575,874	3,563,434
Noncurrent assets:			
Capital assets:			
Automobiles, net	1,172,693	-	1,172,693
Machinery and equipment, net	581,207	198,109	779,316
Total noncurrent assets	1,753,900	198,109	1,952,009
Total assets	4,741,460	773,983	5,515,443
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	20,146	-	20,146
Total deferred outflows of resources	20,146	-	20,146
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	12,964	19,457	32,421
Accrued liabilities	5,551	1,912	7,463
Compensated absences	15,269	2,803	18,072
Total current liabilities	33,784	24,172	57,956
Noncurrent liabilities:			
Compensated absences	2,564	-	2,564
Net pension liability	11,943	-	11,943
Total noncurrent liabilities	14,507	-	14,507
Total liabilities	48,291	24,172	72,463
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions	250	-	250
Total deferred inflows of resources	250	-	250
<u>NET POSITION</u>			
Net investment in capital assets	1,753,900	198,109	1,952,009
Unrestricted	2,959,165	551,702	3,510,867
Total net position	\$ 4,713,065	\$ 749,811	\$ 5,462,876

Midvale City**Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds****For the Year Ended June 30, 2023**

	Fleet	IT	Total
<u>OPERATING REVENUES</u>			
Charges for services	\$ 1,072,319	\$ 181,250	\$ 1,253,569
Other	6,700	-	6,700
Total operating revenues	1,079,019	181,250	1,260,269
<u>OPERATING EXPENSES</u>			
Salaries and wages	108,875	28,007	136,882
Employee benefits	42,647	10,213	52,860
Administration	242,892	167	243,059
Supplies and equipment	2,156	97,677	99,833
Repairs and maintenance	142,053	-	142,053
Depreciation expense	387,590	25,868	413,458
Total operating expenses	926,213	161,932	1,088,145
Operating income	152,806	19,318	172,124
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest expense	120,990	14,360	135,350
Gain on disposal of equipment	7,010	2,788	9,798
Total nonoperating revenues (expenses)	128,000	17,148	145,148
Income before transfers	280,806	36,466	317,272
Transfers in	-	200,000	200,000
Change in net position	280,806	236,466	517,272
Total net position - beginning	4,432,259	513,345	4,945,604
Total net position - ending	\$ 4,713,065	\$ 749,811	\$ 5,462,876

Midvale City
Combining Statement of Cash Flows – Internal Service Funds
For the Year Ended June 30, 2023

	Fleet	IT	Total
Cash flows from operating activities			
Receipts from customers	\$ 1,264,666	\$ 181,529	\$ 1,446,195
Payments to suppliers	(140,475)	(150,325)	(290,800)
Payments for interfund services	(242,892)	(167)	(243,059)
Payments to employees	(158,599)	(35,512)	(194,111)
Net cash provided by operating activities	722,700	(4,475)	718,225
Cash flows from noncapital financing activities			
Transfers from other funds	-	200,000	200,000
Net cash provided by noncapital financing activities	-	200,000	200,000
Cash flows from capital and related financing activities			
Purchase of capital assets	(825,535)	(45,828)	(871,364)
Proceeds from sale of capital assets	73,960	2,788	76,748
Net cash provided (used) by capital and related financing activities	(751,575)	(43,040)	(794,616)
Cash flows from investing activities			
Interest received	120,990	14,360	135,350
Net cash provided by investing activities	120,990	14,360	135,350
Net increase (decrease) in cash and cash equivalents	92,115	166,845	258,959
Cash and cash equivalents, beginning of year	2,895,303	409,014	3,304,317
Cash and cash equivalents, end of year	\$ 2,987,418	\$ 575,859	\$ 3,563,277
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 152,806	\$ 19,318	\$ 172,124
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	387,590	25,868	413,458
Changes in assets and liabilities:			
Accounts receivable	183,839	-	183,839
Deposit	1,808	279	2,087
Accounts payable	3,734	(52,648)	(48,914)
Accrued liabilities	(7,077)	2,708	(4,369)
Net cash provided by operating activities	\$ 722,700	\$ (4,475)	\$ 718,225

Midvale City
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual
Capital Projects Fund (Major Fund)
For the Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 605,000	\$ 605,000	\$ 558,397	\$ (46,603)
Taxes	1,000,000	1,000,000	1,024,138	24,138
Interest income	-	-	164,898	164,898
Total revenues	1,605,000	1,605,000	1,747,433	142,433
EXPENDITURES				
Capital outlay	2,592,600	4,329,347	1,580,832	2,748,515
Total expenditures	2,592,600	4,329,347	1,580,832	2,748,515
Excess (deficiency) of revenues over (under) expenditures	(987,600)	(2,724,347)	166,601	2,890,948
OTHER FINANCING SOURCES				
Transfers in(out)	987,600	2,724,347	1,987,600	(736,747)
Total other financing sources	987,600	2,724,347	1,987,600	(736,747)
Net change in fund balance	\$ -	\$ -	2,154,201	\$ 2,154,201
Fund balance at beginning of year			4,363,744	
Fund balance at end of year			\$ 6,517,945	

Midvale City
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual
Debt Service Fund
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Charges for Service	\$ 245,331	\$ 245,331	\$ 46,281	\$ (199,050)
Interest income	-	-	3,690	3,690
Total revenues	245,331	245,331	49,971	(195,360)
<u>EXPENDITURES</u>				
General government	374,961	374,961	374,961	-
Debt service				
Principal	1,080,382	1,080,382	1,027,432	52,950
Interest	391,081	391,081	444,031	(52,950)
Bond issuance costs	6,000	6,000	4,550	1,450
Total expenditures	1,852,424	1,852,424	1,850,974	1,450
Excess (deficiency) of revenues over (under) expenditures	(1,607,093)	(1,607,093)	(1,801,003)	(193,910)
<u>OTHER FINANCING SOURCES</u>				
Transfers in(out)	1,607,093	1,607,093	1,607,093	-
Total other financing sources (uses)	1,607,093	1,607,093	1,607,093	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(193,910)	<u>\$ (193,910)</u>
Fund balance at beginning of year			1,725	
Prior period adjustment, see notes			1,969,413	
Fund balance at end of year			\$ 1,777,228	

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STATISTICAL SECTION



STATISTICAL SECTION

(UNAUDITED)

This part of Midvale City Corporations' Annual Comprehensive Financial Report presents detailed information as a context for better understanding the information in the financial statements, note disclosures, and required supplementary information.

The statistical section consists of five main categories:

Financial Trends (Pages 105-109)

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 (Pages 110-118)

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity (Pages 119-123)

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 (Pages 124-126)

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 (Pages 127-128)

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.

MIDVALE CITY CORPORATION
Net Position by Component
(Accrual Basis of Accounting)
Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	\$ 74,464,507	\$ 80,565,863	\$ 84,160,627	\$ 76,771,618	\$ 82,296,971	\$ 77,499,367	\$ 60,168,243	\$ 61,799,330	\$ 63,161,804	\$ 65,982,979
Restricted	3,752,036	883,082	1,521,186	9,125,162	6,034,643	2,562,715	7,266,811	12,982,895	17,806,804	19,077,481
Unrestricted	(12,477,730)	(15,512,597)	(15,706,221)	(13,978,646)	(10,180,513)	(7,253,505)	7,507,968	6,966,687	3,990,475	10,760,283
Total governmental activities										
net position	65,738,813	65,936,348	69,975,592	71,918,134	78,151,101	72,808,577	74,943,022	81,748,912	84,959,083	95,820,743
Business-type activities:										
Net investment in capital assets	19,014,743	20,418,787	21,102,883	21,964,255	23,058,240	23,156,632	24,192,075	23,996,754	24,906,854	24,215,298
Restricted	-	-	-	-	-	-	-	-	-	1,295,464
Unrestricted	9,653,167	8,657,672	8,448,241	8,347,659	8,487,705	9,607,592	9,315,925	10,860,251	13,011,055	12,526,285
Total business-type activities										
net position	28,667,910	29,076,459	29,551,124	30,311,914	31,545,945	32,764,224	33,508,000	34,857,005	37,917,909	38,037,048
Primary government:										
Net investment in capital assets	93,479,250	100,984,650	105,263,510	98,735,873	105,355,211	100,655,999	84,360,318	85,796,084	88,068,658	90,198,277
Restricted	3,752,036	883,082	1,521,186	9,125,162	6,034,643	2,562,715	7,266,811	12,982,895	17,806,804	20,372,945
Unrestricted	(2,824,563)	(6,854,925)	(7,257,980)	(5,630,987)	(1,692,808)	2,354,087	16,823,893	17,826,938	17,001,530	23,286,568
Total primary government										
net position	\$ 94,406,723	\$ 95,012,807	\$ 99,526,716	\$ 102,230,048	\$ 109,697,046	\$ 105,572,801	\$ 108,451,022	\$ 116,605,917	\$ 122,876,992	\$ 133,857,790

MIDVALE CITY CORPORATION

Changes in Net Position

(Accrual Basis of Accounting)

Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 5,256,415	\$ 5,666,704	\$ 5,539,259	\$ 5,786,432	\$ 6,671,596	\$ 13,602,223	\$ 10,545,408	\$ 8,723,238	\$ 11,825,697	\$ 6,018,102
Public safety (1)	6,050,012	6,383,475	6,610,764	7,013,851	7,290,047	8,519,079	9,002,087	9,401,425	10,285,577	11,795,690
Highways and public improvements	2,967,910	2,500,529	1,890,231	2,297,368	2,485,064	3,196,231	2,598,581	2,981,820	2,415,708	3,824,707
Parks, recreation and public property	715,784	813,033	931,303	992,330	1,384,148	1,421,361	1,579,727	1,634,530	1,594,145	1,493,263
Redevelopment	704,130	618,747	1,649,138	3,671,182	3,296,665	8,742,123	3,336,865	2,378,196	2,840,234	2,180,096
Interest on long-term debt	1,801,668	1,738,207	2,137,089	2,008,336	2,704,350	2,930,481	2,716,943	1,745,297	1,666,770	1,527,618
Total government activities expense	17,495,919	17,720,695	18,757,784	21,769,499	23,831,870	38,411,498	29,779,606	26,864,506	30,628,131	26,839,475
Business-type activities:										
Water (2) (5)	5,170,826	3,993,392	3,960,091	4,354,475	4,361,331	4,072,868	5,262,930	5,193,597	5,472,697	5,710,183
Sewer (5)	-	1,615,068	1,910,718	1,927,068	1,883,291	2,265,343	2,397,629	2,523,972	2,735,782	3,147,616
Storm water	1,366,964	1,181,903	1,315,614	1,429,125	1,514,929	1,692,430	1,770,290	1,761,979	1,806,723	1,864,144
Sanitation	951,112	918,913	932,441	969,261	1,031,396	1,155,070	1,187,193	1,173,185	1,209,024	1,312,855
Telecommunications (3)	808,618	825,907	901,913	864,343	889,011	898,565	917,325	935,730	948,418	965,249
Ambulance (1)	-	-	-	-	-	-	-	-	-	-
Street lighting (4)	160,791	426,829	624,863	341,979	381,608	392,701	364,789	398,298	321,170	366,150
Equity investment income	(33,824)	(12,840)	-	-	-	-	-	-	-	-
Total business-type activities	8,424,487	8,949,172	9,645,640	9,886,251	10,061,566	10,476,977	11,900,156	11,986,761	12,493,814	13,366,197
Total primary government expenses	25,920,406	26,669,867	28,403,424	31,655,750	33,893,436	48,888,475	41,679,762	38,851,267	43,121,945	40,205,672
Program revenues										
Governmental activities:										
Charges for services										
General government	2,656,868	2,722,837	2,743,920	2,247,640	2,236,403	2,698,055	2,967,511	3,180,865	3,066,996	1,336,045
Public safety	1,357,735	1,633,011	1,030,311	748,505	922,257	958,288	843,406	701,178	844,694	844,493
Highways and public improvements	-	-	-	-	-	-	-	-	-	-
Parks, recreation and public property	60,625	67,300	61,950	42,450	24,600	27,150	22,040	20,340	34,790	26,850
Operating grants and contributions	4,683,624	4,281,630	5,965,959	5,840,869	6,200,034	6,527,830	7,773,608	9,275,664	7,136,801	7,101,721
Capital grants and contributions	793,079	837,135	1,848,430	1,158,697	1,793,150	7,567,205	4,184,622	2,688,476	3,300,243	3,889,127
Total governmental activities program revenues	9,551,931	9,541,913	11,650,570	10,038,161	11,176,444	17,778,528	15,791,187	15,866,523	14,383,524	13,198,236
Business-type activities:										
Charges for services										
Water (2) (5)	5,658,012	4,267,495	4,284,361	4,550,934	4,738,786	4,667,077	5,208,509	5,700,724	7,588,642	6,034,039
Sewer (5)	-	1,503,752	1,737,379	1,961,362	2,228,967	2,449,758	2,635,025	2,810,880	3,071,693	3,373,084
Storm water	1,042,571	1,632,166	1,648,039	1,812,768	1,824,476	1,828,209	2,077,019	2,134,157	2,162,486	2,183,691
Sanitation	999,327	1,010,970	924,037	954,956	956,399	1,050,989	1,151,382	1,283,140	1,309,536	1,354,000
Telecommunications (3)	15,816	33,421	17,230	21,390	27,264	20,256	20,786	21,259	16,607	555,971
Ambulance (1)	-	-	-	-	-	-	-	-	-	-
Street lighting (4)	242,776	248,654	372,896	381,529	381,507	384,828	390,487	402,078	407,830	408,126
Operating grants and contributions	116,744	117,632	117,886	115,885	111,221	106,321	100,847	49,170	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	8,075,246	8,814,090	9,101,828	9,798,824	10,268,620	10,507,438	11,584,055	12,401,408	14,556,795	13,908,911
Total primary government program revenues	\$ 17,627,177	\$ 18,356,003	\$ 20,752,398	\$ 19,836,985	\$ 21,445,064	\$ 28,285,966	\$ 27,375,242	\$ 28,267,931	\$ 28,940,319	\$ 27,107,147

MIDVALE CITY CORPORATION

Changes in Net Position (Continued)

(Accrual Basis of Accounting)

Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense)/Revenue										
Governmental activities	\$ (7,943,988)	\$ (8,178,782)	\$ (7,107,214)	\$ (11,731,338)	\$ (12,655,426)	\$ (20,632,970)	\$ (13,988,419)	\$ (10,997,983)	\$ (16,244,607)	\$ (13,641,239)
Business-type activities	(349,241)	(135,082)	(543,812)	(87,427)	207,054	30,461	(316,101)	414,647	2,062,981	542,714
Total primary government net (expense)/revenue	(8,293,229)	(8,313,864)	(7,651,026)	(11,818,765)	(12,448,372)	(20,602,509)	(14,304,520)	(10,583,336)	(14,181,626)	(13,098,525)
General revenues										
and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	1,081,837	1,145,102	1,178,525	3,202,775	3,183,212	3,129,874	3,449,391	4,110,411	4,645,942	5,813,422
Sales taxes	5,930,672	6,221,500	6,463,225	7,128,932	7,382,052	7,695,281	8,967,771	10,434,898	12,037,076	12,306,587
Telecomm and franchise taxes	2,832,277	2,764,227	2,883,419	3,196,182	3,081,826	2,938,060	2,757,554	2,723,703	2,799,999	3,669,110
Interest income	85,590	46,144	131,625	153,422	416,810	731,832	825,390	178,236	422	1,068,579
Gain on sale and disposal of assets	-	2,598	391,405	134,298	524,778	918,270	239,893	253,291	72,399	7,722
Miscellaneous	124,783	370,476	1,018,859	683,171	607,715	727,129	697,865	808,920	719,309	814,765
Developer contributions	-	-	-	-	4,542,000	-	-	-	-	-
Special item - trf of public safety to other govt	-	-	-	-	-	-	-	-	-	-
Transfers - net	(741,300)	(917,100)	(920,600)	(824,900)	(850,000)	(850,000)	(815,000)	(705,586)	(820,369)	(710,584)
Total governmental activities	9,313,859	9,632,947	11,146,458	13,673,880	18,888,393	15,290,446	16,122,864	17,803,873	19,454,778	22,969,600
Business-type activities:										
Interest income	40,015	47,647	40,667	43,866	77,838	215,118	127,932	67,539	(4,231)	264,003
Equity investment (loss)	-	-	57,210	(20,549)	99,139	122,700	116,945	161,233	181,786	185,021
Capital contributions from other government	-	-	-	-	-	-	-	-	-	-
Transfers - net	741,300	917,100	920,600	824,900	850,000	850,000	815,000	705,586	820,369	710,584
Total business-type activities	781,315	964,747	1,018,477	848,217	1,026,977	1,187,818	1,059,877	934,358	997,924	1,159,608
Total primary government	10,095,174	10,597,694	12,164,935	14,522,097	19,915,370	16,478,264	17,182,741	18,738,231	20,452,702	24,129,208
Changes in Net Position										
Governmental activities	1,369,871	1,454,165	4,039,244	1,942,542	6,232,967	(5,342,524)	2,134,445	6,805,890	3,210,171	9,328,361
Business-type activities	432,074	829,665	474,665	760,790	1,234,031	1,218,279	743,776	1,349,005	3,060,905	1,702,322
Total primary government	\$ 1,801,945	\$ 2,283,830	\$ 4,513,909	\$ 2,703,332	\$ 7,466,998	\$ (4,124,245)	\$ 2,878,221	\$ 8,154,895	\$ 6,271,076	\$ 11,030,683

Notes:

- (1) Beginning in FY 2012, Midvale was annexed by the Salt Lake Valley Fire Service Area, a separate taxing entity. Fire and ambulance service are now provided by Unified Fire Authority.
- (2) The Telecommunications Fund was established in FY 2012 to improve fiber optic capabilities for businesses and residents.
- (3) The Street Lighting Fund was established in FY 2013 to provide street lights city-wide, and to switch all lighting to more efficient LED.
- (4) Water and Sewer were reported as one fund prior to 2015. In 2015, they were split into two separate funds.

MIDVALE CITY CORPORATION
Fund Balances of Governmental Funds
(Accrual Basis of Accounting)
Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for B&C Road Funds	-	-	-	-	-	-	-	-	293,871	323,328
Restricted for Development	-	-	-	-	-	-	-	-	-	264,991
Assigned for sub. year approp.	-	-	-	-	-	-	326,577	-	-	-
Unassigned	2,714,040	2,752,356	2,407,701	3,784,485	3,858,326	3,797,448	4,096,174	7,319,448	7,869,041	8,040,274
Total General Fund	\$ 2,714,040	\$ 2,752,356	\$ 2,407,701	\$ 3,784,485	\$ 3,858,326	\$ 3,797,448	\$ 4,422,751	\$ 7,319,448	\$ 8,162,912	\$ 8,628,593
All Other Governmental Funds										
Nonspendable	\$ 150,130	\$ 150,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for debt service	246,375	252,465	247,011	247,544	248,917	21	224	140	233	3,482
Restricted for capital projects	3,466,803	-	-	8,267,104	6,264,782	2,775,343	-	-	-	-
Restricted for redevelopment	32,305	387	5,348,949	140,597	23,442	-	5,050,212	9,247,340	1,212,912	1,264,140
Restricted for debt service	-	630,230	1,577,544	1,585,165	21,407,132	22,341,706	1,842,389	1,818,855	607,053	2,391,349
Assigned for special revenue funds	951,388	2,109,836	2,705,141	2,160,877	2,638,920	4,366,777	48,137	56,312	11,622,862	14,906,632
Assigned for capital projects	3,387,910	2,020,096	1,710,787	1,579,634	2,753,808	3,620,104	214,099	1,860,248	4,363,744	6,517,945
Assigned for sub. year approp.	-	-	-	-	-	-	3,698,153	-	-	-
Total Other Governmental Funds	\$ 8,234,911	\$ 5,163,144	\$ 11,589,432	\$ 13,980,921	\$ 33,337,001	\$ 33,103,951	\$ 10,853,214	\$ 12,982,895	\$ 17,806,804	\$ 25,083,548
Total Governmental Funds										
Nonspendable	\$ 150,130	\$ 150,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	3,745,483	883,082	7,173,504	10,240,410	27,944,273	25,117,070	6,892,825	11,066,335	2,114,069	4,243,808
Assigned	4,339,298	4,129,932	4,415,928	3,740,511	5,392,728	7,986,881	4,286,966	1,916,560	15,986,606	21,428,059
Unassigned	2,714,040	2,752,356	2,407,701	3,784,485	3,858,326	3,797,448	4,096,174	7,319,448	7,869,041	8,040,274
Total Governmental Funds	\$ 10,948,951	\$ 7,915,500	\$ 13,997,133	\$ 17,765,406	\$ 37,195,327	\$ 36,901,399	\$ 15,275,965	\$ 20,302,343	\$ 25,969,716	\$ 33,712,141

MIDVALE CITY CORPORATION

Changes in Fund Balances of Governmental Funds

(Accrual Basis of Accounting)

Last Ten Fiscal Years

	Fiscal Year										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Revenues:											
Taxes (1)	\$ 9,844,786	\$ 10,130,829	\$ 10,525,169	\$ 13,527,890	\$ 13,647,089	\$ 13,763,215	\$ 15,174,717	\$ 17,269,013	\$ 19,483,018	\$ 19,787,577	
Licenses and permits	887,041	929,422	974,711	583,437	600,158	893,520	890,117	986,962	711,320	892,307	
Intergovernmental	5,476,703	5,118,765	7,814,389	6,999,567	7,993,184	14,095,036	11,958,229	11,964,044	10,437,044	12,992,390	
Charges for services	2,088,987	1,891,997	1,924,706	1,717,633	1,674,434	1,831,684	2,111,583	2,214,242	2,404,748	485,746	
Fines and forfeitures	1,257,733	1,528,308	1,236,006	974,651	992,776	958,066	820,736	701,178	830,411	829,335	
Interest income	78,952	46,144	131,625	153,422	416,810	731,832	825,390	178,236	422	933,229	
Miscellaneous	138,886	370,476	1,018,859	683,172	607,719	727,129	697,866	808,520	719,309	808,065	
Total Revenues	19,773,088	20,015,941	23,625,465	26,639,772	25,932,170	33,000,482	32,478,638	34,122,691	34,586,272	36,728,649	
Expenditures:											
General government	3,832,807	3,826,386	4,095,809	3,966,525	4,130,071	4,472,441	5,001,096	5,405,077	5,233,244	4,371,305	
Public safety (2)	6,008,069	6,392,114	6,581,069	6,904,536	7,168,010	8,381,646	8,968,003	9,306,093	10,322,679	11,698,303	
Highways and public improvements	1,068,817	812,797	784,451	759,449	881,927	1,453,828	1,208,398	1,781,838	1,562,778	2,258,794	
Parks, recreation, and public property	658,193	736,565	841,194	892,240	978,895	1,007,424	1,142,879	1,175,194	1,131,749	1,046,241	
Redevelopment (3)	719,130	3,565,775	1,654,141	2,208,413	3,311,665	8,757,123	3,351,865	2,378,196	2,840,234	2,180,731	
Community and economic development	1,264,073	1,281,767	1,324,787	1,230,080	1,458,891	1,589,996	1,291,148	1,424,506	1,312,434	1,292,623	
Capital outlay - noncapitalized	31,591	446,139	12,420	1,690,088	1,296,156	7,141,163	3,612,289	1,769,117	5,454,922	102,790	
Capital outlay - capitalized	7,344,480	4,350,028	10,419,056	7,468,225	1,322,370	2,422,258	3,556,068	1,919,894	423,503	1,481,062	
Pledge pmt - interlocal guarantee agreement (4)	-	-	-	-	-	-	-	-	-	-	
Debt service principal	1,370,000	1,670,000	1,745,000	1,995,000	2,831,000	3,159,000	21,963,000	2,940,000	3,242,717	3,657,432	
Debt service interest	1,837,612	1,771,647	1,874,301	1,993,689	2,520,085	3,098,685	3,215,623	1,987,391	1,969,927	1,969,192	
Bond issuance costs	2,000	-	257,080	145,321	228,693	131,530	-	-	4,550	4,550	
Total Expenditures	24,136,772	24,853,218	29,589,308	29,253,566	26,127,763	41,615,094	53,310,369	30,087,306	33,498,737	30,063,023	
Excess of revenue over (under) expenditures	(4,363,684)	(4,837,277)	(5,963,843)	(4,613,794)	(195,593)	(8,614,612)	(20,831,731)	4,035,385	1,087,535	6,665,626	
Other financing sources (uses):											
Proceeds from sale of assets	246,013	2,934,626	12,976	8,435	219,891	513,156	56,297	700	207	17,970	
Proceeds from capital lease/note payable	-	-	-	-	-	-	-	-	-	-	
Proceeds from bond issuance	-	-	12,961,000	9,146,632	20,255,623	8,657,528	-	2,163,893	5,500,000	-	
Discount on bond issuance	-	-	-	-	-	-	-	-	-	-	
Special item - public safety transfer (2)	-	-	-	-	-	-	-	-	-	-	
Contribution from other government	-	-	-	-	-	-	-	-	-	-	
Transfers in	3,608,583	1,173,956	2,346,242	11,344,438	1,887,831	6,836,195	2,082,217	202,887	2,405,624	3,594,693	
Transfers out	(4,349,883)	(2,304,756)	(3,274,742)	(12,117,438)	(2,737,831)	(7,686,195)	(2,932,217)	(1,376,487)	(3,325,993)	(4,505,277)	
Total other financing sources (uses)	(495,287)	1,803,826	12,045,476	8,382,067	19,625,514	8,320,684	(793,703)	990,993	4,579,838	(892,614)	
Net change in Fund Balance	\$ (4,858,971)	\$ (3,033,451)	\$ 6,081,633	\$ 3,768,273	\$ 19,429,921	\$ (293,928)	\$ (21,625,434)	\$ 5,026,378	\$ 5,667,373	\$ 5,773,012	
Debt service as a percentage of non-capital expenditures:	19.1%	16.8%	18.9%	18.3%	21.6%	16.0%	50.6%	17.5%	15.8%	19.7%	

Notes:

(1) Beginning in FY 2014, the Utah State Auditor's Office required classification of tax increment revenue received by a Redevelopment Agency from other taxing entities as "Intergovernmental Revenue" instead of "Property Taxes".

(2) Beginning in FY 2012, the Salt Lake Valley Fire Service Area (SLVFSa) began providing fire service to Midvale City. SLVFSa is a taxing entity and collects property tax directly from Midvale residents to provide services.

(3) Midvale City is one of 11 founding members of the Utah Telecommunications Open Infrastructure Network (UTOPIA). Beginning in FY 2013, pledge payments to UTOPIA are paid from the Telecommunications Enterprise Fund.

MIDVALE CITY CORPORATION
Governmental Activities Tax Revenue by Source
(Modified Accrual Basis of Accounting)
Last Ten Fiscal Years

Fiscal Year	Property Tax	Uniform Vehicle Tax	Sales Tax	Franchise and Energy Tax	Telecom- munications Tax	Transient Room Tax	Total Tax Revenues
2014	\$ 1,081,836	\$ 113,950	\$ 5,930,672	\$ 2,102,495	\$ 495,776	\$ 120,057	\$ 9,844,786
2015	1,145,102	113,980	6,221,500	2,086,631	429,025	134,591	10,130,829
2016	1,178,525	126,648	6,463,225	2,192,132	425,164	139,475	10,525,169
2017 (3)	3,202,775	417,806	7,128,932	2,205,528	407,915	164,934	13,527,890
2018	3,183,212	333,097	7,382,052	2,212,291	356,013	180,425	13,647,090
2019 (4)	3,129,874	354,332	7,695,281	2,115,894	300,028	167,806	13,763,215
2020	3,449,390	294,748	8,967,771	2,083,511	234,626	144,669	15,174,716
2021	3,273,367	289,817	10,434,898	2,118,393	183,177	132,316	16,431,968
2022	3,303,528	329,351	12,037,076	2,062,780	190,229	217,639	18,140,605
2023 (3)	3,636,704	345,594	12,306,587	2,774,920	312,092	236,504	19,612,400

Notes:

- (1) Prior to Fiscal Year 2014, the Midvale Redevelopment Agency (RDA) recorded property tax revenues received from other participating taxing entities as "property tax revenue". The Utah State Auditor now requires these revenues to be recorded as "contributions from other governments". Property taxes for prior years which represent "contributions from other governments" are as follows:
2013- \$2,009,800; 2012- \$1,512,800; 2011- \$1,356,300; 2010- \$972,900.
- (2) In Fiscal Year 2012, Midvale was annexed into the Salt Lake Valley Fire Service Area (SLVFSa). SLVFSa has taxing authority, and property taxes paid by Midvale business and residents for fire protection service are now paid directly to SLVFSa.
- (3) In Fiscal Year 2017 & 2023, Midvale increased it's property tax rate.
- (4) In June 2019, Midvale started receiving additional sales tax revenue for transportation.

MIDVALE CITY CORPORATION **Assessed Value and Estimated Actual Value of Taxable Property** **Last Ten Calendar Years**

Year	Primary Residential		Secondary or non-residential		Personal and Centrally assessed		Total		Assessed value as a percentage of market value	Direct Tax Rate
	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value		
2012	\$ 876,577,808	\$ 1,593,777,833	\$ 579,327,580	\$ 579,327,580	\$ 111,077,083	\$ 111,077,083	\$ 1,566,982,471	\$ 2,284,182,496	68.60%	0.000687
2013	939,637,475	1,708,431,773	590,548,960	590,548,960	119,788,367	119,788,367	1,649,974,802	2,418,769,100	68.22%	0.000658
2014	1,039,080,432	1,889,237,148	630,681,800	630,681,800	143,089,908	143,089,908	1,812,852,140	2,663,008,856	68.08%	0.000623
2015	1,116,706,717	2,030,375,849	673,315,410	673,315,410	151,815,849	151,815,849	1,941,837,976	2,855,507,108	68.00%	0.000609
2016	1,245,409,487	2,264,380,886	784,756,880	784,756,880	154,083,626	154,083,626	2,184,249,993	3,203,221,392	68.19%	0.001398
2017	1,333,498,303	2,424,542,369	924,171,610	924,171,610	189,086,848	189,086,848	2,446,756,761	3,537,800,827	69.16%	0.001309
2018	1,476,462,885	2,684,477,973	1,016,133,620	1,016,133,620	201,564,340	201,564,340	2,694,160,845	3,902,175,933	69.04%	0.001166
2019	1,554,387,765	2,826,159,573	1,101,096,800	1,101,096,800	221,158,247	221,158,247	2,876,642,812	4,148,414,620	69.34%	0.001107
2020	1,758,545,454	3,197,355,372	1,165,790,630	1,165,790,630	231,978,525	231,978,525	3,156,314,609	4,595,124,527	68.69%	0.001043
2021	1,991,196,649	3,620,357,544	1,218,485,770	1,218,485,770	239,114,356	239,114,356	3,448,796,775	5,077,957,670	67.92%	0.000987
2022	2,666,706,343	4,848,556,988	1,413,171,870	1,413,171,870	243,380,270	243,380,270	4,323,258,483	6,505,109,128	66.46%	0.000870

Note: Taxable value is 55% of market value for primary residential property and 100% for all other property

Note: Midvale City operates on a fiscal year beginning July 1 and ending June 30. Property taxes are generally paid in November. Property tax revenue for FY 2023 is based upon the calendar year 2022 rate. The same is true for all fiscal years.

Sources: [Utah State Tax Commission \(233b List of Final Values\)](#) and [taxrates.utah.gov/rateDetail](#)

MIDVALE CITY CORPORATION

Property Tax Rates — Direct and Overlapping Governments

Last Ten Calendar Years

City Direct Rate				Overlapping Rates - all Midvale taxing areas										Total Rate		Overlapping Rates - some Midvale taxing areas		
Calendar Year	General Operations	G.O. Bond	Total Direct Rate	School District (1)	Unified Fire Service Area (2)	Salt Lake County (3)	S.S.L. Valley Mosquito Abatement District	Central Utah Water Cons District	Jordan Valley Water Cons District (4)	Total Overlapping Rates	Direct and Overlapping Rates	Mild Valley Improvement District (5)	Sandy Suburban Improvement District (6)	Cottonwood Improvement District (7)				
2014	0.000623	-	0.000623	0.007823	0.002097	0.003751	0.000020	0.000422	0.000399	0.014512	0.015135	0.000904	0.000945	0.000226				
2015	0.000609	-	0.000609	0.007859	0.002000	0.003502	0.000019	0.000405	0.000400	0.014185	0.014794	0.000871	0.000885	0.000215				
2016	0.001168	0.000230	0.001398	0.007227	0.001888	0.003278	0.000018	0.000400	0.000372	0.013183	0.014581	0.000816	0.000800	0.000199				
2017	0.001095	0.000214	0.001309	0.007227	0.001888	0.003278	0.000017	0.000400	0.000372	0.013182	0.014491	0.000773	0.000758	0.000189				
2018	0.000979	0.000187	0.001166	0.007117	0.001812	0.003104	0.000015	0.000400	0.000400	0.012848	0.014014	0.000699	0.000696	0.000176				
2019	0.000932	0.000175	0.001107	-	-	-	0.000014	-	-	0.000014	0.001121	0.000663	0.000640	0.000169				
2020	0.000883	-	0.000883	0.007297	0.001715	0.002547	0.000013	0.000400	0.000366	0.012338	0.013221	0.000619	0.000603	0.000161				
2021	0.000987	-	0.000987	0.006990	0.001594	0.002459	0.000012	0.000400	0.000369	0.011824	0.012811	0.000570	0.000547	0.000147				
2022	0.000870	-	0.000870	0.006053	0.001322	0.002020	0.000009	0.000400	0.000319	0.010123	0.010993	0.000448	0.000448	0.000119				
2023	0.000892	-	0.000892	0.005705	0.001346	0.002041	0.000009	0.000400	0.000341	0.009842	0.010734	0.000442	0.000432	0.000176				

Note: Midvale City operates on a fiscal year beginning July 1 and ending June 30. Property taxes are generally paid in November. Property tax revenue for FY 2023 is based upon the calendar year 2022 rate. The same is true for all fiscal years.

- (1) - School District includes Canyons School District and Jordan/Canyons School District debt service area.
- (2) - Midvale City merged with the Unified Fire Service Area in 2012. Prior to that time, Midvale City provided fire service.
- (3) - Salt Lake County tax rate listed includes Salt Lake County Library, county assessing & collecting levy, and multicounty assessing & collecting levy.
- (4) - Jordan Valley Water Conservancy District is a taxing entity in 8 of 9 taxing areas within Midvale City
- (5) - Mid Valley is a taxing entity in 1 of 9 taxing areas within Midvale City
- (6) - Sandy Suburban is a taxing entity in 2 of 9 taxing areas within Midvale City
- (7) - Cottonwood is a taxing entity in 1 of 9 taxing areas within Midvale City

Source: Utah State Tax Commission

MIDVALE CITY CORPORATION
Principal Property Tax Payers
Current and Ten Years Ago

Taxpayer	Calendar Year 2022				Calendar Year 2011			
	Taxable		Percentage of Total City Taxable		Taxable		Percentage of Total City Taxable	
	Assessed Value	Rank	Assessed Value		Assessed Value	Rank	Assessed Value	
FORT UNION SHOPPING CENTER LLC	109,068,320	1	3.16%					
ZIONS BANCORPORATION, NA	102,538,100	2	2.97%					
PCCP JSP SPRINGS LLC	73,263,201	3	2.12%					
JB1 HOLDINGS, LLC	70,731,430	4	2.05%					
ARBOR GARDNER BINGHAM JUNCTION OFFICE	62,862,100	5	1.82%					
SAN MORITZ APARTMENTS LLC	57,410,980	6	1.66%					
PEACE COLISEUM, LLC	54,245,400	7	1.57%					
FLSMIDTH USA, INC	53,230,400	8	1.54%					
TALAVERA AT THE JUNCTION, LLC	44,460,075	9	1.29%					
PGMJORDAN BLUFFS	44,197,900	10	1.28%					
DDR FORT UNION I & II LLC					45,576,100	1	2.87%	
DDR MIDVALLEY WEST LLC					36,054,720	2	2.27%	
ARBOR GARDNER BINGHAM JUNCTION HOLDINGS LC					35,007,100	3	2.21%	
PCCP JSP SPRINGS LLC					26,044,040	4	1.64%	
RIVERWALK INVESTMENT HOLDINGS LLC					21,157,100	5	1.33%	
JAMES CAMPBELL COMPANY LLC					16,977,800	6	1.07%	
MSB UNION WOODS LLC					15,111,300	7	0.95%	
BRIGHTON PLACE HOLDINGS, LLC					14,803,140	8	0.93%	
VALLEY GREEN HOLDINGS LLC					14,571,900	9	0.92%	
880 EAST CANYON/2102 ROYAL FARMS INVESTMENT GROUP INC					14,343,340	10	0.90%	
	<u>\$ 672,007,906</u>		<u>19.49%</u>		<u>\$ 239,646,540</u>		<u>15.12%</u>	

Source: Salt Lake County

MIDVALE CITY CORPORATION
Property Tax Levies and Collections
Last Ten Calendar Years

Calendar Year	Taxes Levied	Collected within the			Collections in		Total Collections to Date	
		Year of the Levy		Percentage of Levy	Subsequent Years	Amount	Percentage of Levy	
		Amount						
2013	\$ 983,298	\$ 944,775	96.08%		25,251	\$ 970,026	98.65%	
2014	1,124,593	1,079,909	96.03%		19,210	1,099,119	97.73%	
2015	1,175,963	1,124,808	95.65%		22,342	1,147,150	97.55%	
2016	2,487,950	2,475,394	99.50%		41,137	2,516,531	101.15%	
2017	2,673,585	2,591,313	96.92%		31,060	2,622,373	98.08%	
2018	2,640,631	2,582,050	97.78%		49,108	2,631,158	99.64%	
2019	2,676,171	2,608,154	97.46%		36,797	2,644,951	98.83%	
2020	3,262,762	3,177,810	97.40%		38,016	3,215,826	98.56%	
2021	3,395,649	3,282,048	96.65%		44,421	3,326,469	97.96%	
2022	3,760,124	3,659,990	97.34%		27,784	3,687,774	98.08%	

Source: Salt Lake County Treasurer

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

MIDVALE CITY CORPORATION
Sales Tax Revenue (Point of Sale) by Industry
Last Ten Fiscal Years

Category	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Retail sales										
Apparel/accessories	\$ 140,976	\$ 140,947	\$ 144,672	\$ 174,423	\$ 162,381	\$ 155,475	\$ 165,718	\$ 141,226	\$ 157,549	\$ 134,188
Auto sales and services	498,464	570,713	647,366	942,626	1,000,134	1,011,055	1,068,879	1,008,921	1,245,291	1,198,085
Bldg materials, hardware	467,259	410,886	360,367	441,842	434,463	439,993	573,948	888,130	778,896	378,816
Eating & drinking establishments	730,231	782,303	910,302	1,015,571	1,061,026	1,110,965	1,131,165	1,277,063	1,406,047	1,595,648
Groceries	791,644	816,004	854,755	905,885	849,487	845,742	881,657	891,626	926,342	1,107,549
General merchandise	506,733	488,733	497,656	504,178	526,831	528,494	541,790	565,920	634,984	622,710
Home furnishings/equipment	286,501	346,166	383,493	385,372	324,795	215,003	191,349	160,646	217,795	144,146
Miscellaneous retail	965,856	964,588	1,009,948	1,012,853	1,005,730	953,684	910,693	1,126,587	1,171,024	1,043,858
Total retail	4,387,664	4,520,340	4,808,559	5,382,750	5,364,847	5,260,411	5,465,198	6,060,118	6,537,928	6,225,000
Other										
Wholesale trade	749,354	729,746	722,490	799,404	759,449	1,038,996	1,096,832	1,207,647	1,537,373	1,377,936
Services	659,199	685,306	684,684	903,143	894,916	991,967	1,014,423	944,726	1,283,438	1,149,239
Utility/communication	525,515	538,699	558,343	584,132	583,360	547,936	512,938	511,468	564,631	628,043
Manufacturing	201,939	226,271	201,273	210,250	233,724	247,118	288,754	339,305	368,153	370,280
Miscellaneous other	304,964	393,035	253,139	238,452	333,220	421,501	773,858	1,429,447	1,530,962	2,416,701
Total other	2,440,971	2,573,057	2,419,929	2,735,380	2,804,669	3,247,518	3,686,805	4,432,593	5,284,557	5,942,199
Grand Total	\$ 6,828,635	\$ 7,093,397	\$ 7,228,488	\$ 8,118,130	\$ 8,169,516	\$ 8,507,929	\$ 9,152,003	\$ 10,492,711	\$ 11,822,485	\$ 12,167,199

Note: Utah state law requires pooling and redistributing (based upon population) fifty percent of each municipality's "point of sale" sales tax revenue. Midvale City loses approximately nine percent of its "point of sale" sales tax revenue to other municipalities. See "Total Sales Tax Revenue" table

Source: Utah State Tax Commission
Midvale City - Sales Tax by category - June 2023

MIDVALE CITY CORPORATION **Total Sales Tax Revenue** **Last Ten Fiscal Years**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Midvale City Point of Sale revenue	\$ 6,828,635	\$ 7,093,397	\$ 7,228,488	\$ 8,118,130	\$ 8,169,516	\$ 8,507,928	\$ 9,950,944	\$ 10,492,711	11,822,473.57	12,167,196.86
Less 50% of Point of sale	(3,414,320)	(3,546,702)	(3,614,247)	(4,059,114)	(4,084,775)	(4,253,961)	(4,975,472)	(5,246,356)	(5,850,657.28)	(6,083,607.23)
plus portion of statewide pool	2,598,910	2,767,016	2,957,289	3,170,136	3,380,453	3,508,542	4,078,562	4,417,115	5,302,325.65	5,393,967.66
Total distribution	6,013,225	6,313,711	6,571,530	7,229,152	7,465,194	7,762,509	9,054,034	9,663,470	11,274,142	11,477,557
Admin fee and other deductions	(82,556)	(92,211)	(108,304)	(100,318)	(83,176)	(73,852)	(86,263)	(79,427)	(93,144)	(100,456)
Net distribution	\$ 5,930,669	\$ 6,221,500	\$ 6,463,226	\$ 7,128,834	\$ 7,382,018	\$ 7,688,657	\$ 8,967,771	\$ 9,584,044	\$ 11,180,998	\$ 11,377,101
Point of sale revenue lost to statewide pool	\$ 815,410	\$ 779,686	\$ 656,958	\$ 888,978	\$ 704,322	\$ 745,419	\$ 896,910	\$ 829,241	\$ 548,332	\$ 689,640

Source: Utah State Tax Commission

Midvale City - Sales Tax by category - June 2023

MIDVALE CITY CORPORATION
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Year	Midvale City		County Option			Mass Transit	Transportation Infrastructure	Botanical, Cultural, Zoo (ZAP)	Total Sales Tax Rate
	Direct Rate	State of Utah	Salt Lake County	Transportation					
2014	1.00%	4.70%	0.25%	0.25%	0.55%			0.10%	6.85%
2015	1.00%	4.70%	0.25%	0.25%	0.55%			0.10%	6.85%
2016	1.00%	4.70%	0.25%	0.25%	0.55%			0.10%	6.85%
2017	1.00%	4.70%	0.25%	0.25%	0.55%			0.10%	6.85%
2018	1.00%	4.70%	0.25%	0.25%	0.55%			0.10%	6.85%
2019	1.00%	4.85%	0.25%	0.25%	0.55%		0.25%	0.10%	7.25%
2020	1.00%	4.85%	0.25%	0.25%	0.55%		0.25%	0.10%	7.25%
2021	1.00%	4.85%	0.25%	0.25%	0.55%		0.25%	0.10%	7.25%
2022	1.00%	4.85%	0.25%	0.25%	0.55%		0.25%	0.10%	7.25%
2023	1.00%	4.85%	0.25%	0.25%	0.55%		0.25%	0.10%	7.25%

Source: Utah State Tax Commission - www.tax.utah.gov/sales/rates.html

MIDVALE CITY CORPORATION
Ratepayer Fees—Business-Type Activities
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Culinary water	\$ 3,893,407	\$ 3,966,808	\$ 4,087,429	\$ 4,390,444	\$ 4,540,074	\$ 4,425,842	\$ 5,055,765	\$ 5,535,192	\$ 5,452,789	\$ 5,942,291
Sewer	1,277,764	1,448,267	1,632,358	1,917,097	2,158,794	2,261,354	2,568,389	2,792,422	3,051,297	3,355,393
Storm water	1,030,112	1,531,045	1,561,721	1,719,035	1,732,746	1,735,881	1,987,306	2,041,234	2,066,455	2,089,771
Street Lighting	239,401	245,793	371,086	379,598	379,360	382,474	389,100	399,760	404,891	405,821
Sanitation	982,645	995,788	906,863	932,126	931,339	1,025,598	1,132,844	1,252,012	1,275,598	1,327,682
Telecommunications	15,683	15,291	17,121	21,288	27,193	20,186	20,732	21,060	16,194	13,305
Total	\$ 7,439,012	\$ 8,202,992	\$ 8,576,578	\$ 9,359,588	\$ 9,769,506	\$ 9,851,335	\$ 11,154,135	\$ 12,041,681	\$ 12,267,225	\$ 13,134,264

MIDVALE CITY CORPORATION

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Government Activities										Business-type Activities				
General Obligation Bonds	Excise Tax Revenue Bonds	Sales Tax Revenue Bonds	RDA* Revenue Bonds	MBA** Lease Revenue Bonds	Direct Borrowings	Notes Payable	Leases	Revenue Bonds	Notes Payable	Leases	Total Primary Government	Percentage of personal income	Per Capita	
2013	2,454,709	1,709,241	-	25,666,343	8,901,441	-	105,000	21,971,398	297,076	22,966	61,128,174	10.60%	2,021	
2014	2,148,269	1,447,371	-	24,835,479	8,904,937	-	90,000	23,961,176	314,024	-	61,701,256	10.24%	2,006	
2015	1,826,829	1,185,501	-	23,954,615	8,673,433	-	75,000	22,980,954	287,867	-	58,984,199	8.95%	1,859	
2016	1,495,049	898,631	-	36,004,751	8,436,929	-	60,000	21,812,732	284,547	-	68,992,639	9.78%	2,115	
2017	1,143,949	611,761	9,137,669	35,068,887	7,985,425	-	45,000	20,718,676	275,209	-	74,986,576	10.69%	2,270	
2018	777,509	309,891	8,928,894	53,673,494	7,523,921	-	30,000	26,005,919	230,540	-	97,480,168	13.22%	2,935	
2019	396,069	-	8,460,119	60,516,705	7,062,417	-	15,000	24,539,935	197,628	-	101,187,873	12.93%	3,020	
2020	-	-	7,931,344	39,658,996	6,590,913	-	-	23,053,951	153,430	-	77,388,634	9.41%	2,268	
2021	-	-	7,387,569	37,459,287	6,104,409	2,163,892	-	22,393,968	125,737	-	75,634,862	8.47%	2,099	
2022	-	-	6,828,794	35,180,578	5,607,905	7,465,175	-	19,991,984	111,601	-	75,186,037	7.25%	2,092	
2023	-	-	6,250,019	32,703,166	5,101,401	6,962,743	-	18,275,058	98,211	-	69,390,598	6.69%	1,947	

*Redevelopment Agency

**Municipal Building Authority

Notes:

Outstanding bond amounts include related unamortized premiums/discounts.

Detail regarding the City's outstanding debt can be found in the notes to the financial statements.

See "Demographic and Economic Statistics" for personal income and per capita data.

*Redevelopment Agency

**Municipal Building Authority

Notes:

Outstanding bond amounts include related unamortized premiums/discounts.

Detail regarding the City's outstanding debt can be found in the notes to the financial statements.

See "Demographic and Economic Statistics" for personal income and per capita data.

Midvale City
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Estimated Actual Value of Property	Percentage of Estimated Actual Value of Property	Population	Per Capita
2014	2,148,269	2,418,769,100	0.09%	30,764	70
2015	1,826,829	2,663,008,856	0.07%	31,725	58
2016	1,495,049	2,855,507,108	0.05%	32,613	46
2017	1,143,949	3,203,221,392	0.04%	33,035	35
2018	777,509	3,537,800,827	0.02%	33,208	23
2019	396,069	3,902,175,933	0.01%	33,506	12
2020	-	4,148,414,620	0.00%	34,124	-
2021	-	4,595,124,527	0.00%	36,028	-
2022	-	5,077,957,670	0.00%	35,938	-
2023	-	6,505,109,128	0.00%	35,637	-

Note:
Outstanding bond amounts include related unamortized premiums/discounts.

Midvale City
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023

Governmental Unit (Jurisdiction)	Outstanding debt	Estimated Percentage Applicable to Midvale City	Amount Applicable to Midvale City
Direct:			
Midvale City Corporation	\$ 13,212,762	100.0%	\$ 13,212,762.2
Redevelopment Agency of Midvale City	32,703,166	100.0%	32,703,166
Midvale City Municipal Building Authority	5,101,401	100.0%	5,101,401
Total Direct Debt			51,017,329
Overlapping:			
Canyons School District	394,870,000	11.70%	46,199,790
Central Utah Water Conservancy District	123,254,854	1.60%	1,972,078
Salt Lake County	117,565,000	2.40%	2,821,560
Sandy Suburban Improvement District	2,962,000	1.80%	53,316
Total Overlapping Debt			51,046,744
Total Direct and Overlapping Debt			<u>\$ 102,064,073</u>
Notes:			
Direct debt amounts include related unamortized premiums/discounts.			
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 Midvale City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.			

MIDVALE CITY CORPORATION

General Obligations on Legal Debt Margin Information

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit										
General - 4%	\$ 96,750,764	\$ 106,520,354	\$ 114,220,284	\$ 128,128,856	\$ 141,512,033	\$ 156,087,037	\$ 165,936,585	\$ 183,804,981	\$ 203,118,307	\$ 260,204,365
Water and Sewer - 8%	193,501,528	213,040,708	228,440,569	256,257,711	283,024,066	312,174,075	331,873,170	367,609,962	406,236,614	520,408,730
Net debt applicable to limit	(2,115,000)	(1,800,000)	(1,470,000)	(1,130,000)	(770,000)	(395,000)	-	-	-	-
Additional Debt Incurring Capacity	\$ 288,137,292	\$ 317,761,063	\$ 341,190,853	\$ 383,256,567	\$ 423,766,099	\$ 467,866,112	\$ 497,809,754	\$ 551,414,943	\$ 609,354,920	\$ 780,613,095
Total net debt applicable to the limit as a percentage of debt limit	0.73%	0.56%	0.43%	0.29%	0.18%	0.08%	0.00%	0.00%	0.00%	0.00%
Legal Debt Margin Calculation for Fiscal Year 2023										
Estimated fair market value as of 12/31/2022	\$ 6,505,109,127									
Legal debt margin										
Debt limitation available for general purposes - 4%										260,204,365
Water and Sewer - 8%										520,408,730
Total General Obligation debt outstanding										-
Additional Debt Incurring Capacity										<u>\$ 780,613,095</u>
Source: Utah State Tax Commission										

MIDVALE CITY CORPORATION

Pledged Revenue Coverage

Last Ten Fiscal Years

Redevelopment Agency (RDA) Property Tax/Sales Tax Revenue Bonds					Water, Sewer, Storm Water Revenue Bonds					Excise Tax Revenue Bonds			
Fiscal Year	Sales Tax Revenue	RDA Tax Increment Revenue	Total	Debt Service Coverage	Water/Sewer Net Revenue	Storm Water Net Revenue	Total Net Revenue	Debt Service Coverage	B&C Road Fund Revenue	Debt Service	Coverage		
2014	5,930,672	2,463,319	8,393,991	2,246,860	3.74	2,295,817	(167,727)	2,128,090	1,621,461	793,079	321,500	2.47	
2015	6,221,500	3,185,596	9,407,096	2,255,861	4.17	1,954,426	667,351	2,621,777	1,841,478	837,135	311,500	2.69	
2016	6,463,225	3,816,394	10,279,619	2,417,716	4.25	1,904,113	619,483	2,523,596	2,006,953	844,929	326,500	2.59	
2017	7,128,932	4,658,617	11,787,549	2,594,694	4.54	2,157,726	688,930	2,846,656	1,971,009	1,158,697	315,500	3.67	
2018	7,382,052	6,168,040	13,550,092	3,948,090	3.43	2,631,971	620,775	3,252,746	1,962,916	1,018,459	319,500	3.19	
2019	7,695,281	6,501,445	14,196,726	4,871,864	2.91	2,663,858	448,780	3,112,638	2,342,068	1,084,543	315,000	3.44	
2020	8,967,771	7,431,373	16,399,144	4,363,722	3.76	2,038,373	612,967	2,651,340	2,333,774	1,066,753	-	N/A	
2021	10,434,898	7,793,504	18,228,402	3,474,685	5.25	2,737,706	803,023	3,540,729	2,187,415	1,178,276	-	N/A	
2022	12,037,076	8,333,574	20,370,650	3,478,715	5.86	2,823,798	797,911	3,621,709	2,159,827	1,326,959	-	N/A	
2023	12,306,587	8,799,240	21,105,827	3,479,992	6.06	2,605,907	749,455	3,355,362	2,136,252	1,388,823	-	N/A	
Required coverage					1.25							2.00	

Note: Storm Water net revenue was not pledged revenue for bonds issued prior to Fiscal Year 2014.

Note : Storm Water net revenue was not pledged revenue for bonds issued prior to Fiscal Year 2014.

Midvale City
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Income Per Capita	Unemployment Rate (Percentage)
2014	30,764	\$ 602,273,191	\$ 19,577	3.9
2015	31,725	658,848,428	20,767	4.0
2016	32,613	705,267,157	21,625	3.4
2017	33,035	701,442,593	21,233	3.6
2018	33,208	737,492,670	22,208	3.5
2019	33,506	782,772,888	23,362	3.0
2020	34,124	822,461,002	24,102	7.4
2021	36,028	892,752,252	24,779	3.2
2022	35,938	1,037,464,582	28,868	2.4
*2023	35,637	1,037,464,582	29,112	2.7

Sources:

Personal Income: <https://tax.utah.gov/econstats/federal-returns>

Population - <https://www.census.gov>

Unemployment rate -<https://data.bls.gov/timeseries>

/LAUCN490350000000003?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true

**Note:*

Personal income for the year 2023 relies on data from 2022,

given that information beyond that timeframe is not accessible as of the publication date.

MIDVALE CITY CORPORATION

Principal Employers

Current Year and Eleven Years Ago

2022				2011			
Employer		Employees	Percentage of total City Labor Force	Employer		Employees	Percentage of total City Labor Force
ENTERPRISE SERVICES	1000-1999	8.5%	THE CANYONS SCHOOL DISTRICT	500-999	6.0%		
CHG COMPANIES, INC.	500-999	4.3%	FL SMIDTH DORR-OLIVER EIMCO INC	500-999	6.0%		
IHC SUPPLY CHAIN CENTER	500-999	4.3%	EDWARDS LIFESCIENCES LLC	250-499	3.0%		
OVERSTOCK COM INC	500-999	4.3%	WAL-MART ASSOCIATES, INC.	250-499	3.0%		
FLSMIDTH INC.	250-499	2.1%	STAKER & PARSON COMPANIES	250-499	3.0%		
STRADA COLLABORATIVE, INC.	250-499	2.1%	UTAH TRANSIT AUTHORITY	100-249	1.5%		
TOPGOLF PAYROLL SERVICES, LLC	250-499	2.1%	APEX STAFFING, LLC	100-249	1.5%		
WAL-MART ASSOCIATES INC	250-499	2.1%	EXPRESS SERVICES, INC.	100-249	1.5%		
ARTHUR J GALLAGHER SERVICE COMPANY	100-249	1.1%	SPORTS WAREHOUSE	100-249	1.5%		
CHG MEDICAL STAFFING, INC.	100-249	1.1%	RSI-RESIDENTIAL SERVICES INC	100-249	1.5%		
CUPERTINO ELECTRIC INC	100-249	1.1%					
EREPLACEMENTPARTS.COM	100-249	1.1%					
GIV. CARE, INC.	100-249	1.1%					
GREENWOOD MEDICAL CTR	100-249	1.1%					
HARMONS	100-249	1.1%					
HIGHLAND RIDGE HOSPITAL	100-249	1.1%					
HILLCREST HIGH	100-249	1.1%					
JORDAN VALLEY SPECIAL SCHOOL	100-249	1.1%					
MIDVALE MIDDLE	100-249	1.1%					
MO' BETTAHS	100-249	1.1%					
MOULINA HEALTHCARE OF UTAH INC	100-249	1.1%					
MOULINA HEALTHCARE, INC.	100-249	1.1%					
PRECISION HEATING AND COOLING, INC.	100-249	1.1%					
PREMIER GROUP STAFFING LLC	100-249	1.1%					
QES, INC	100-249	1.1%					
SAVAGE SERVICES	100-249	1.1%					
SMITHS FOOD AND DRUG CTRS	100-249	1.1%					
TERRACON CONSULTANTS, INC.	100-249	1.1%					
UTAH MEDICAL PRODUCTS INC	100-249	1.1%					
UTAH TRANSIT AUTHORITY	100-249	1.1%					
WINCO FOODS	100-249	1.1%					
ZAGG INC	100-249	1.1%					
Midvale City total labor force		23,400			16,674		

Sources:
<https://jobs.utah.gov/isp/firmfind/#/download>

Sources:

<https://jobs.utah.gov/isg/firmfind/#/download>

MIDVALE CITY CORPORATION

Full-Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Legislative	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Executive	0.5	0.5	0.5	0.5	0.5	1.0	1.0	1.0	1.0	1.0
Administrative	1.0	1.0	1.0	2.0	3.0	3.0	3.0	4.0	4.0	4.0
Emergency Management	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Attorney			3.0	3.0	4.0	4.0	4.0	3.0	3.0	4.0
Finance	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0
Utility Billing	2.0	2.0	2.5	2.0	2.0	2.0	2.0	4.0	4.0	3.0
Recorder	1.5	1.5	1.5	1.5	2.0	1.5	1.5	2.5	2.5	2.5
Human Resources	1.5	1.5	1.5	1.5	2.0	1.5	1.5	1.5	1.5	1.5
Justice Court	9.0	9.5	9.0	7.5	8.5	9.0	8.5	8.5	8.5	8.5
Information Technology	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	6.0	6.5
Total General Government	26.0	26.5	29.5	27.5	31.5	31.5	31.0	35.0	37.0	38.5
Community Development										
Administrative	2.0	2.0	2.0	2.0	2.0	2.0	3.0	1.5	3.0	1.5
Business Licensing	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	2.5
Economic Development	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Planning and Zoning	2.5	2.5	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0
Building	3.0	3.0	4.0	3.0	4.0	4.0	4.0	1.0	0.0	0.0
Code Enforcement	1.0	2.0	2.0	2.0	2.0	2.0	2.0	0.0	0.0	0.0
Engineering	3.0	3.0	4.0	4.0	6.0	6.0	6.0	8.0	6.0	6.0
Redevelopment Agency	2.0	2.0	2.0	3.0	4.0	4.0	4.0	3.5	3.5	3.0
Total Community Development	15.5	16.5	18.0	18.0	23.0	23.0	24.0	19.0	18.0	17.0
Public Works										
Administrative	2.0	2.0	2.0	2.0	3.0	3.0	3.5	3.0	4.0	3.5
Facilities Maintenance	1.0	1.0	2.0	1.0	2.0	4.0	4.0	3.0	3.0	2.5
Parks/cemetery	1.0	1.0	1.0	2.0	2.0	2.0	2.0	4.0	3.0	4.5
Fleet	1.0	1.0	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Street/Storm Drain Maintenance	8.0	8.0	8.0	8.0	8.0	10.0	10.0	10.0	10.0	9.0
Water/Sewer	9.0	9.0	10.0	11.0	11.0	11.0	11.0	13.0	12.0	13.0
Total Public Works	22.0	22.0	24.5	26.0	28.0	32.0	32.5	35.0	34.0	34.5
Public Safety										
Crossing Guards	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Police	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fire	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Public Safety	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total full-time equivalent employees	63.5	65.0	72.0	71.5	82.5	86.5	87.5	89.0	89.0	90.0

Note:
 Midvale City began contracting with the Unified Police Department in 2011 for provision of police services.
 The Salt Lake Valley Fire Service Area (SLVFSa), a separate taxing entity, annexed Midvale City in 2011. Fire service is now provided by SLVFSa.

MIDVALE CITY CORPORATION

Operating Indicators

Last Ten Fiscal Years

Function	Fiscal Year										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government											
Residential Building permits issued	138	226	178	89	48	94	137	12	39	56	72
Number of units (1)	162	433	385	229	115	115	657	450	181	283	203
Construction cost (1)	\$25,722,428	\$71,592,496	\$59,789,782	\$40,547,273	\$19,908,000	\$19,296,600	\$75,240,016	\$75,509,858	\$28,547,220	\$47,839,689	\$46,716,934
Water											
Residential water connections	5,705	5,885	5,995	6,056	6,075	6,100	6,100	6,540	6,574	6,552	6,560
Non-residential water connections	1,086	1,180	1,147	1,225	1,300	1,304	1,297	1,358	1,405	1,429	1,500
Billed consumption (thousand gallons)	1,651,199	1,522,137	1,485,905	1,681,979	1,635,284	1,651,219	1,532,342	1,862,537	2,000,917	1,672,653	1,728,372
Billed consumption per capita (thousand gallons)	55	49	47	52	50	50	46	55	56	47	48
Purchased from JWCDC (thousand gallons)	54,447	54,319	55,678	49,347	27,854	74,543	341,638	1,144,506	1,060,037	899,594	1,108,282
Purchased from Sandy City (thousand gallons)	709,417	640,987	624,264	642,691	620,474	626,296	315,372	0	0	0	0
Water from city wells (thousand gallons)	887,335	826,831	805,963	989,941	986,956	950,380	875,332	718,031	940,880	773,059	620,090
Percent purchased	46%	46%	46%	41%	40%	42%	43%	61%	53%	54%	64%
Sewer											
Residential sewer connections	2,099	2,297	2,307	2,348	2,362	2,385	2,381	2,371	2,373	2,373	2,370
Non-residential sewer connections	579	492	559	591	604	601	603	616	627	644	640
Sanitation											
Number of residential users	5,906	6,037	6,167	6,243	6,274	6,292	6,268	6,294	6,316	6,338	6,331
Number of residential cans in service	7,199	7,333	7,331	7,548	7,629	7,694	7,676	7,762	7,871	7,953	8,018
Note: (1) Source is http://webdna.bebr.utah.edu											
Source: Midvale City Corporation											

Note: (1) Source is <http://webdna.bebr.utah.edu>

Source: Midvale City Corporation

MIDVALE CITY CORPORATION

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public works										
Streets (miles)	70	70	70	70	70	70	70	92	95	92
Streetlight poles	1,021	1,372	1,372	1,381	1,384	1,384	1,384	1,568	1,112	1,568
Parks and recreation										
Developed park acreage	24	71	78	78	78	78	78	82	82	82
Undeveloped park acreage	15.7	5.7	2.78	2.78	2.78	2.78	2.78	0.0	0.0	0.0
Cemeteries	1	1	1	1	1	1	1	1	1	1
Cultural arts centers	1	1	1	1	1	1	1	1	1	1
Museums	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	97.4	97.4	97.4	97.7	98.1	98.1	112.0	131.2	139.2	136.0
Maximum daily capacity (million gallons)	8.8	8.8	9.6	9.7	9.8	9.8	9.8	10.0	10	14
Storage capacity (million gallons)	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Wells	5	5	5	5	5	5	5	5	4	3
Sewer										
Sewer lines (miles)	45	45	45	45	46	46	46	43	48	45

Note: Information regarding streetlight poles prior to 2014 is not available

Source: Midvale City Corporation

INTERNAL CONTROLS AND COMPLIANCE REPORTS





CERTIFIED PUBLIC
ACCOUNTANTS

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

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

To the Mayor, City Council, and Audit Committee
Midvale City, Utah

We have audited, in accordance with the 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 Midvale City, Utah (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 5, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 that we consider to be a material weakness.

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 statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Midvale City's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on Midvale City, Utah's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Midvale City, Utah's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
December 5, 2023

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



**CERTIFIED PUBLIC
ACCOUNTANTS**

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

To the Mayor, City Council, and Audit Committee
Midvale City, Utah

Report on Compliance

We have audited Midvale City, Utah's (the City) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended June 30, 2023.

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

- Budgetary Compliance
- Fund Balance
- Justice Court
- Restricted Taxes and Related Restricted Revenue
- Fraud Risk Assessment
- Governmental Fees
- Cash Management
- Public Treasurer's Bond

Opinion on Compliance

In our opinion, Midvale City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2023.

Basis for Opinion

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Management's Responsibility 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 Responsibility 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 that 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

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the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the government program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide* but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report On Internal Control Over Compliance

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

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

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

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.

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
December 5, 2023

MIDVALE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023

2023-001 Financial Close and Reporting – Material Weakness

Finding

During the audit, it was noted that the City did not have sufficient controls in a couple nonroutine areas of the financial close and reporting process. As a result of this, three material prior period audit adjustments were required to be made to the City's financial statements, to bring those financial statements into conformity with generally accepted accounting principles (GAAP).

Recommendation

We recommend that the City implement policies and procedures or other controls in place to ensure that amounts are reported in accordance with GAAP. We also recommend that those responsible for accounting and the supervision of accounting personnel have opportunities to receive training in accounting and governmental accounting topics to further improve the accuracy of the financial information reported.

City Response

In all previous audit years that current staff has been with Midvale City, the City's financial statements have been prepared by the auditors with staff's assistance. For the fiscal year ending June 30, 2023, staff took on the task of preparing the financial statements in-house and took great care in working to ensure that all guidance and principles surrounding government accounting was followed. However, through the careful examination of our new auditors, it was found that staff's understanding of some GAAP reporting - specifically surrounding one-time ARPA funding, a State Infrastructure Bank Loan, and the allocation of Internal Service Fund income, was insufficient and required correction to the prior year financial statements in order to make the current year financial statements compliant with GAAP. The original calculations and reporting were not made from a place of malicious or fraudulent intent, but a misunderstanding of GAAP surrounding transactions that do not occur on a usual basis. Moving forward, the City will extend extra effort to ensure a thorough understanding of related GAAP standards are applied when unusual transactions are recorded. Staff will also attend additional trainings on GAAP standards and requirements. We will continue to work closely with our auditors to ensure our financial statements are prepared and presented according to GAAP.



Midvale City

Finance Department

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Midvale UT, 84047-7180

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