

**MIDVALE CITY CORPORATION
RESOLUTION 2023-R-02**

**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 Larson & Company, Certified Public Accountants, to do an independent audit of the City's accounts for fiscal year 2021-2022; and

Whereas, Larson & Company has completed the independent audit of the City's accounts for fiscal year 2021-2022; and

Whereas, Larson & Company 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 2021-2022 has been completed by Larson & Company 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 3rd day of January, 2023.



Marcus Stevenson, Mayor

ATTEST:


Rori L. Andreason, MMC
City Recorder



Voting by the City Council: “Aye”		“Nay”
Dustin Gettel	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Paul Glover	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Quinn Sperry	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Heidi Robinson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bryant Brown	<input checked="" type="checkbox"/>	<input type="checkbox"/>

MIDVALE CITY
COMMUNICATION TO THOSE
CHARGED WITH GOVERNANCE
YEAR ENDED JUNE 30, 2022



Communication with Those Charged with Governance

December 19, 2022

To the Honorable Mayor and
Members of the City Council
Midvale City
7505 South Holden Street,
Midvale, UT 84047-7180

We have audited the financial statements of Midvale City as of and for the year ended June 30, 2022, and have issued our report thereon dated December 19, 2022. Professional Standards require that we advise you of the following matters related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 30, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Midvale City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our finding regarding significant control deficiencies and material weaknesses, if applicable, and material noncompliance, and other matters noted during our audit at the end of this communication letter in the schedule of findings section.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

As part of our risk based audit, we design certain extended procedures over areas where we deemed to pose a more significant audit risk based on the nature of the industry and complexity of the entity. We have identified the following significant risks during our audit that we had performed additional procedures for:

- Improper revenue recognition

- Cash disbursements
- Potential management bias, financial statement estimates, and management's ability to override controls.

Based on our audit procedures performed, we did not identify any uncorrected material misstatements related to these risks noted.

Qualitative Aspects of the Entity's Significant Accounting Practices

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Midvale City are included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management related to the performance of our audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicated them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classis of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. All proposed entries were approved by management and were posted to the entity's financial records.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the entity's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We noted nothing to report to Those Charged with Governance.

Management Representations

We have requested certain representations from management, which are included in the management representation letter dated December 22, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matter. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the entity, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition or our retention as the entity's auditors.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and required supplementary information (RSI) as listed in the table of contents, which are RSI that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board and management of Midvale City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Larson & Company, PC

Larson & Company, PC
Spanish Fork, Utah

December 19, 2022

Internal control findings – Current year

There were no internal control findings noted in the current year.

State compliance findings – Current year

There were no state compliance findings noted in the current year.

Internal control findings – Prior year

There were no internal control findings noted in the prior year.

State compliance findings – Prior year

SC-2021.1 Budgetary Compliance

Criteria: *Utah Code 10-6-123* states that the "City officers may not make or incur expenditures in excess of total appropriations for any department in the budget as adopted or as subsequently amended."

Condition: The expenditures in Bingham Junction Project Area (Fund 31) exceeded the amounts appropriated in the final adopted budget materially.

Status of finding: Finding appears to have been addressed and corrected.

ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2022

2022



Midvale City, Utah

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**Midvale City
State of Utah**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended
June 30, 2022**

PREPARED BY THE FINANCE DEPARTMENT

MARIAH HILL, ADMINISTRATIVE SERVICES DIRECTOR
CHRISTIAN LARSEN, SENIOR ACCOUNTANT
KAREN KESTER, CITY TREASURER

Midvale City, Utah
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 20, 2022

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INTRODUCTORY SECTION





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

December 19, 2022

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, 2022.

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.

Larson & Company, P.C., a firm of 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, 2022, 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 37,640, 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 52 percent of General Fund revenues, and property tax constitutes 12 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 \$14,889,901 to \$23,089,208, and general fund expenditures have increased from \$12,058,620 to \$19,021,590. 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 2023.

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**

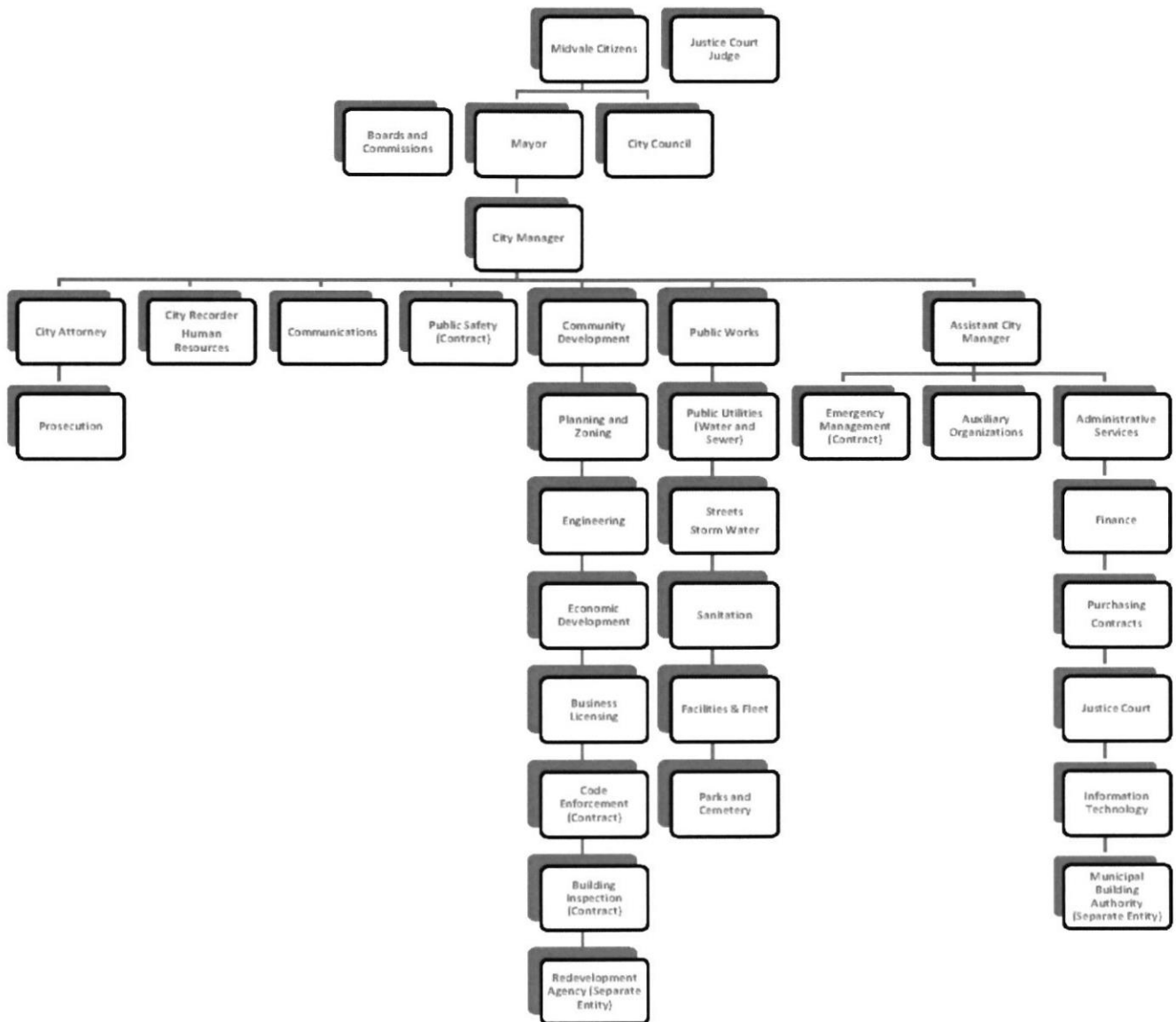
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrell

Executive Director/CEO

Midvale City, Utah Organization Chart



Midvale City, Utah
List of Elected and Appointed Officials
As of June 30, 2022

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
Vacant.....	Assistant City Manager
Lisa Garner	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
Nate Rockwood	Community Development Director
George Vo-Duc	Justice Court Judge

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FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
Midvale City, UT

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Midvale City Corporation (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Midvale City, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Redevelopment Agency, and the Municipal Building Authority for the year ended June 30, 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Midvale 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 Midvale City's ability to continue as a going concern for a reasonable period of time.

Larson & Company
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CPAmerica
Member  Crowe Global

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

Supplementary Information

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

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

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and the auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information 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 19, 2022, 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 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.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah

December 19, 2022

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, 2022.

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 2022 by \$122,876,992 (net position). Of this amount, \$17,001,530 (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 \$6,271,075. Of this increase, \$3,210,171 (51.2 percent) is attributable to governmental activities, mainly from tax collections exceeding budgeted expectations and expenses below budgeted expectations. Business-type activities provided a \$3,060,904 increase to the City's net position, primarily due to capital projects exceeding depreciation expense during the year.
- As of the close of fiscal year 2022, the City's governmental funds reported combined ending fund balances of \$25,969,716, an increase of \$5,667,373 compared to fiscal year 2021 (27.9 percent). Most of this increase is due to projects that were delayed by the economy in the Capital, Main Street Redevelopment, and City-Wide Housing Redevelopment funds in fiscal year 2022. Of the total fund balance, \$1,820,198 (7 percent) is restricted for debt service activities.
- At the end of fiscal year 2022, unassigned fund balance of the General Fund was \$7,867,549, or 34.1 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 34.1 percent of revenues. The City's financial policies recommend a general fund unrestricted fund balance of 15 percent and will be appropriating fund balance in excess of this in the coming fiscal year budget.
- The City's total long-term obligations decreased \$391,064 (.05 percent). This is due to regularly scheduled debt service payments.
- At the end of fiscal year 2022, the City recognized total net pension liability of \$0 and a net pension asset of \$2,078,404. Much of this change is due to investment earnings exceeding expectations. More information regarding the City's retirement plans can be found on page 76 and in the Required Supplementary Information beginning on page 85.

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 and redevelopment agency 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, 2022, the City's combined governmental fund balance is \$25,969,716 (\$2,114,069 in restricted, \$15,986,606 in assigned, and \$7,869,041 in unassigned fund balances). Additional detail regarding governmental fund balances can be found on the governmental funds balance sheet located on page 33 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
- Municipal Building Authority

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 33-40 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. Because these services predominantly benefit governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

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 42-46 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 85.

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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 \$122,876,992 as of June 30, 2022.

By far the largest portion of the City's position (71.7 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	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 36,122,784	\$ 27,717,269	\$ 15,512,049	\$ 6,559,007	51,634,833	34,276,276
Capital Assets	111,036,572	113,457,917	43,979,984	51,458,951	155,016,556	164,916,868
Total Assets	147,159,356	141,175,186	59,492,033	58,017,958	206,651,389	199,193,144
Total Deferred Outflows of Resources	707,510	552,859	255,168	194,997	962,678	747,856
Current Liabilities Outstanding	5,182,923	5,016,628	2,424,476	2,581,843	7,607,399	7,598,471
Long Term Liabilities	51,941,982	50,557,448	18,596,580	20,372,178	70,538,562	70,929,626
Total Liabilities	57,124,905	55,574,076	21,021,056	22,954,021	78,145,961	78,528,097
Total Deferred Inflows of Resources	5,782,878	4,405,057	808,236	401,929	6,591,114	4,806,986
Invested in Capital Assets,						
Net of Related Debt	63,161,804	61,799,330	24,906,854	23,996,754	88,068,658	85,796,084
Restricted	17,806,804	12,982,895	-	-	17,806,804	12,982,895
Unrestricted	3,990,475	6,966,687	13,011,055	10,860,251	17,001,530	17,826,938
Total Net Position	\$ 84,959,083	\$ 81,748,912	\$ 37,917,909	\$ 34,857,005	\$ 122,876,992	\$ 116,605,917

An additional portion of the City's net position (14.5 percent) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$17,001,530 may be used to meet the government's ongoing obligations to citizens and creditors.

As of June 30, 2022, 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.

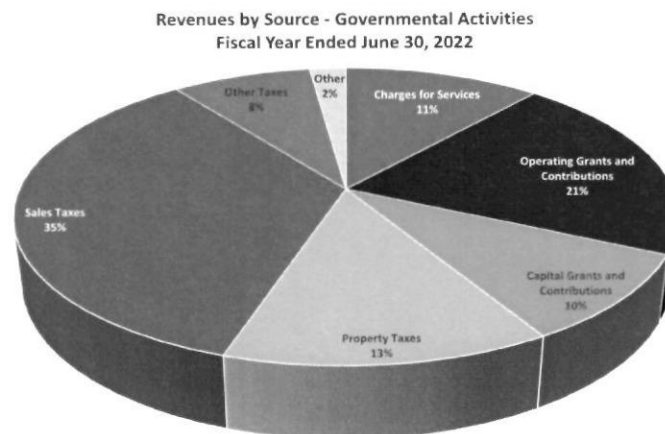
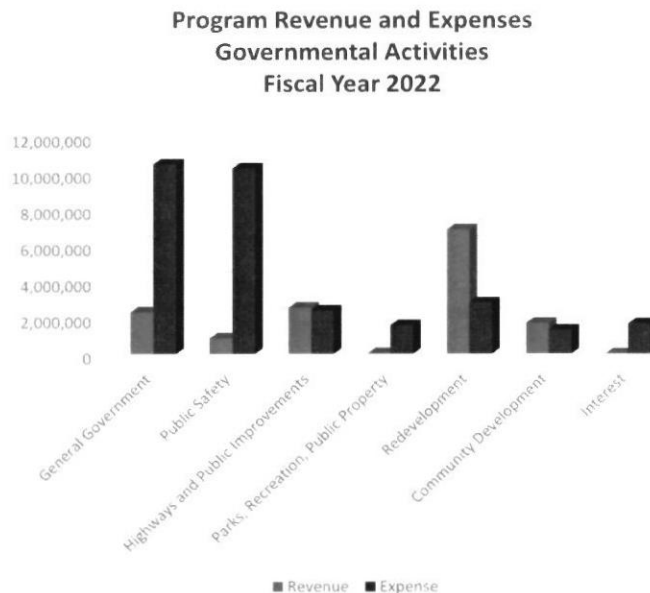
Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended June 30, 2022:

Midvale City
Summary of Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services	3,946,480	3,902,383	14,556,794	12,352,238	18,503,274	16,254,621
Operating Grants and Contributions	7,136,801	9,275,664	-	49,170	7,136,801	9,324,834
Capital Grants and Contributions	3,300,243	2,688,476	-	-	3,300,243	2,688,476
General Revenues:					-	-
Property Taxes	4,645,942	4,110,411	-	-	4,645,942	4,110,411
Sales Taxes	12,037,076	10,434,898	-	-	12,037,076	10,434,898
Other Taxes	2,799,999	2,723,703	-	-	2,799,999	2,723,703
Other	719,731	987,156	(4,231)	67,539	715,500	1,054,695
Total Revenues	34,586,272	34,122,691	14,552,563	12,468,947	49,138,835	46,591,638
Expenses:						
General Government	10,513,263	7,298,732	-	-	10,513,263	7,298,732
Public Safety	10,285,577	9,401,425	-	-	10,285,577	9,401,425
Highways and Public Improvements	2,415,708	2,981,820	-	-	2,415,708	2,981,820
Parks, Recreation, and Public Property	1,594,145	1,634,530	-	-	1,594,145	1,634,530
Redevelopment	2,840,234	2,378,196	-	-	2,840,234	2,378,196
Community Development	1,312,434	1,424,506	-	-	1,312,434	1,424,506
Interest and Other Fiscal Charges	1,666,770	1,745,297	-	-	1,666,770	1,745,297
Water	-	-	5,472,697	5,193,597	5,472,697	5,193,597
Sewer	-	-	2,735,782	2,523,972	2,735,782	2,523,972
Storm Water	-	-	1,806,723	1,761,979	1,806,723	1,761,979
Sanitation	-	-	1,209,024	1,173,185	1,209,024	1,173,185
Street Lighting	-	-	948,418	935,730	948,418	935,730
Telecommunications	-	-	321,170	398,298	321,170	398,298
Total Expenses	30,628,131	26,864,506	12,493,814	11,986,761	43,121,945	38,851,267
Gain on Sale of Capital Assets	72,399	253,291	181,786	161,233	254,185	414,524
Increase (Decrease) in Net Position Before Transfers	4,030,540	7,511,476	2,240,535	643,419	6,271,075	8,154,895
Transfers	(820,369)	(705,586)	820,369	705,586	-	-
Increase (Decrease) in Net Position	3,210,171	6,805,890	3,060,904	1,349,005	6,271,075	8,154,895
Net Position - Beginning	81,748,912	74,943,022	34,857,005	33,508,000	116,605,917	108,451,022
Net Position - Ending	\$ 84,959,083	\$ 81,748,912	\$ 37,917,909	\$ 34,857,005	122,876,992	\$ 116,605,917

Governmental Activities – Governmental activities increased the City’s net position by \$3,210,171. Key elements affecting governmental activities net position are as follows:

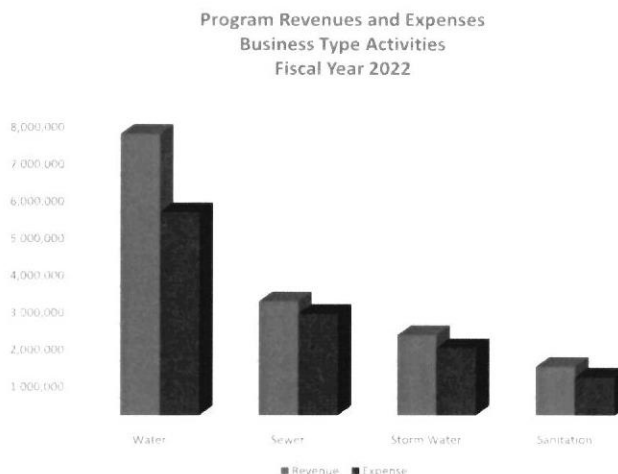
- General fund revenues posted \$1,560,340 over expectations during fiscal year 2022. This is mainly due to an increase in sales tax. In addition, expenditures were also under expectations by \$1,353,647. This was due to every department working diligently to maintain a slim budget during times of economic uncertainty and each one of them succeeding.
- The Redevelopment Agency’s redevelopment expenses were \$2.32 million less than their revenues, resulting in a net increase of \$2.32 million in fund balance.
- During fiscal year 2022, the City’s governmental funds completed \$786,364 of capital projects and projects totaling \$20,046 were in progress at year end. The most significant projects completed during the year include \$242,528 for ADA ramps and \$109,489 for park and trail improvements.



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Business Type Activities – Business-type activities increased the City’s net position by \$3,060,904, which represents an increase of \$1,711,899 over the previous year’s change. Key elements of the change in business-type net position are as follows:

- During fiscal year 2022, the City’s business-type activities completed \$422,726 in capital projects which \$77,818 of projects were in progress at year end. This is mainly comprised of water meter upgrades.
- The street lighting fund posted an increase in net position of \$86,063. This is mainly due to lower than anticipated maintenance costs.
- The sanitation fund experienced an increase in net position of \$281,465, mainly due to its investment in the Trans Jordan Landfill.
- The water fund contributed \$2,115,945 to the increase in net position. The majority of this increase is due to receiving American Rescue Plan Act money that will be used for future water infrastructure projects.
- The sewer fund contributed \$334,280 to the increase in net position due to user charges exceeding budgeted expectations and an increase in customers.



Revenues by Source - Business Type Activities
Fiscal Year Ended June 30, 2022



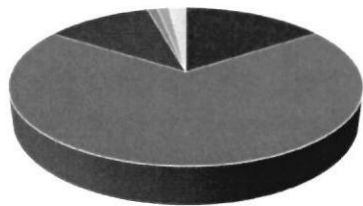
FINANCIAL HIGHLIGHTS

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, 2022, The City’s governmental funds (General, Capital Projects, RDA, and Municipal Building Authority) reported combined fund balances of \$25,969,716. This represents an increase of \$5,667,373 from last year’s ending balances. \$7,869,041 (30.3 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 \$15,986,606 (61.6 percent), meaning the City intends to use this amount for specific purposes (capital projects, redevelopment, and debt service). Fund balance of \$2,114,069 (8.1 percent) is *restricted* to indicate it is not available for new spending because it has already been committed to pay for roads and debt service.

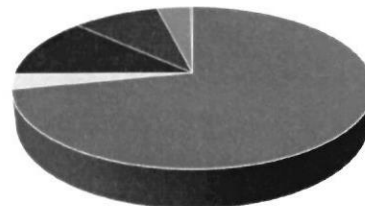
General Fund

Fiscal Year 2022 General Fund
Tax Revenue by Type



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

Fiscal Year 2022 General Fund
Revenue by Source

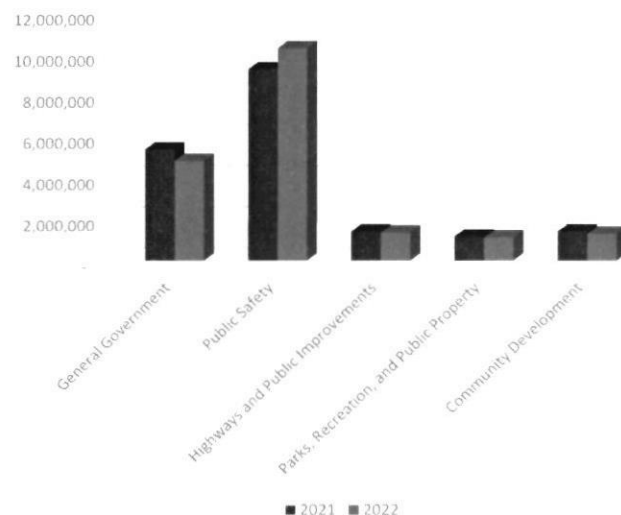


■ Taxes ■ Licenses and Permits ■ Intergovernmental
■ Charges for Services ■ Fines and Forfeitures ■ Other

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 \$841,832 during the year. Taxes continue to be the largest source of revenue in the General Fund and represent 71.7 percent of total General Fund revenues. The largest component of tax revenue is sales tax, which represents 72.7 percent of total tax revenues and 52.1 percent of total General Fund revenues. This compares with 40.2 percent of total general fund revenues in the prior fiscal year ended June 30, 2021.

General fund expenditures decreased during fiscal year 2022, going from \$19,508,814 in 2021 to \$19,021,590 in 2022. This can mostly be attributed to high turnover and vacancies throughout the General Fund departments.

General Fund Expenditures by Function
Fiscal Year 2021 and 2022



Other Governmental Funds

Highlights from the City's other governmental funds show indicators of a growing city and strong local economy. During fiscal year 2022, property tax collections from redevelopment areas increased 2.2 percent to a total of \$8,822,535 during the same period. This increase is due to an increase in taxable values. RDA fund balance increased \$2,320,394 to a total of \$12,779,645 (18.2 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 \$2,503,496 during the fiscal year to an ending fund balance of \$4,363,744. This is due to projects not getting started or completed in fiscal year 2022 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 decreased \$74 during the fiscal year to an ending balance of \$663,182. 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 increased by \$1,725. The debt service fund was created in fiscal year 2022 and this is the first fund balance it has incurred. 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 increased from \$2,005,704 to \$3,270,634 in the Water Fund; increased from \$5,605,751 to \$6,010,616 in the Sewer Fund; and increased from \$1,221,121 to \$1,444,246 in the Storm Water Fund.

Water Fund unrestricted net position increased \$1,264,930, this is mainly due to receiving American Rescue Plan Act funding and the Union Jordan area meter swaps and related inventory.

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 \$2,027,675 in fiscal year 2021 to \$2,285,559 in fiscal year 2022 (a \$257,884 increase). The Street Lighting fund realized a \$86,063 increase in net position, largely due to maintenance costs being under budgeted expectations. The Sanitation Fund saw a \$281,465 net position increase, largely due to a gain on the City's equity investment in Trans Jordan Landfill. Finally, the Telecommunications Fund saw a \$109,644 net position decrease, mainly due to a planned reduction in net position.

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GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, General Fund budgeted expenditures were amended from an original budget total of \$19,244,925 to a final budget total of \$20,375,237 (5.5 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 Unified Police Department had a large wage increase mid-year that increased the City's contract amount.
- The City added additional funding to the City Attorney department to fund a contract prosecutor to assist with their workload.
- The City rolled forward some one-time money that was not able to be spent on employees in fiscal year 2021 due to the COVID-19 pandemic.

General fund budgeted revenues were amended from \$20,566,648 to \$21,528,868 (an increase of \$962,220, or 4.5 percent). Highlights of this increase include:

- The City amended budgeted tax revenues based on recalculations that included actual data received March-October 2021, resulting in an increase of \$859,013.

During the year, actual revenues were greater than budgeted revenues by \$1,560,340. Actual expenditures were less than budgeted expenditures by \$1,353,647. The under-expend is consistent throughout all the general fund departments as all departments dealt with turnover and the labor shortage throughout the year.

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, 2022, amounts to \$155,016,556 (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 2.0 percent (a 2.0 percent decrease for governmental activities and a 2.1 percent decrease for business-type activities).

Midvale City

Capital Assets, Net of Depreciation

June 30, 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
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	21,261,342	21,814,344	3,239,547	3,331,970	24,500,889	25,146,314
Improvements	3,421,331	3,561,001	37,227,027	38,041,307	40,648,358	41,602,308
Infrastructure	19,100,584	20,346,073	-	-	19,100,584	20,346,073
Machinery & Equipment	2,167,529	2,500,583	239,231	274,069	2,406,760	2,774,652
Construction in Progress	20,046	20,046	77,818	59,034	97,864	79,080
TOTAL:	<u>\$ 111,036,572</u>	<u>\$ 113,307,787</u>	<u>\$ 43,979,984</u>	<u>\$ 44,902,741</u>	<u>\$ 155,016,556</u>	<u>\$ 158,210,528</u>

Major capital asset events during fiscal year 2022 include the following:

- \$242,528 CDBG Project - ADA Ramps.
- \$109,489 Jordan River Trail improvements.
- \$84,409 145 W 7500 S and 987 E 7800 S Vault Projects.
- \$313,466 for water meters.
- \$106,119 Caterpillar Backhoe.
- \$183,839 Caterpillar Loader.
- \$55,545 HPE Nimble Storage Array.

Additional information on the City's capital assets can be found on page 64-66 of this report.

Long-term debt - As of June 30, 2022, the City had total long-term bonded debt outstanding of \$63,655,000 (excluding bond premiums and discounts). The entirety of this amount is represented by bonds secured solely by specific revenue sources. The City has no general obligation bonds outstanding.

Midvale City
Outstanding Long-Term Bonded Debt
June 30, 2022

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Lease Revenue Bonds	\$ 5,665,000	\$ 6,165,000	\$ -	\$ -	5,665,000	6,165,000
Tax Revenue Bonds	38,644,000	41,188,000	-	-	38,644,000	41,188,000
Water, Sewer, Storm Water Revenue Bonds	-	-	19,346,000	20,950,000	19,346,000	20,950,000
TOTAL:	\$ 44,309,000	\$ 47,353,000	\$ 19,346,000	\$ 20,950,000	\$ 63,655,000	\$ 68,303,000

The City's total bonded debt outstanding decreased by \$4,648,000 during the fiscal year (6.8 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 2010B Water and Sewer Revenue Bonds, with a Fitch rating of "AA-" (rating outlook: positive).
- 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 \$203,118,306 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 \$609,354,920, 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.

Additional information on the City’s long term-debt can be found on pages 70-75 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

- The 2022 unemployment rate for the Midvale City was 2.1 percent. This compares with a national unemployment rate of 3.7 percent. The 2021 unemployment rate for the Midvale City was 3.2 percent. (Source: Bureau of Labor Statistics.)
- General Fund budgeted revenues for the fiscal year ending June 30, 2023 (\$25,470,980) reflect an increase of 11.2 percent over the final budgeted revenues for the fiscal year ended June 30, 2022 (\$22,901,230). The majority of this increase is due to expected increases in sales tax, franchise tax, and intergovernmental revenues (including one-time grant funds and Class C Road funds). General Fund expenditures in fiscal year 2023 are budgeted \$2,569,750 higher than fiscal year 2022. This increase is due to reinstated capital projects that had previously been deferred due to the COVID-19 pandemic and 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, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash, cash equivalents, and investments:			
Unrestricted	\$ 25,490,432	\$ 5,086,492	\$ 30,576,924
Restricted	1,820,198	923,948	2,744,146
Receivables (net of allowance for uncollectibles):			
Accounts and taxes	6,132,451	1,511,099	7,643,550
Contracts	-	117,475	117,475
Court fines	251,046	-	251,046
Due from other governments	622,885	-	622,885
Due from other funds	34,185	-	34,185
Allowance for doubtful accounts	-	(6,000)	(6,000)
Inventory	-	458,643	458,643
Prepays and deposits	125,214	116,435	241,649
Total current assets	34,476,411	8,208,092	42,684,503
Noncurrent assets:			
Investment in Joint Ventures	-	6,751,213	6,751,213
Note receivable	-	(29,417)	(29,417)
Net pension asset	1,496,243	582,161	2,078,404
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	20,046	77,818	97,864
Capital assets, net of accumulated depreciation:			
Buildings	21,261,342	3,239,547	24,500,889
Improvements other than buildings	3,421,331	37,227,027	40,648,358
Equipment	2,167,529	239,231	2,406,760
Infrastructure	19,100,584	-	19,100,584
Total noncurrent assets	112,682,945	51,283,941	163,966,886
Total assets	147,159,356	59,492,033	206,651,389
Deferred outflows of resources:			
Deferred outflows related to pensions	707,510	255,168	962,678
Total deferred outflows of resources	\$ 707,510	\$ 255,168	\$ 962,678

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

Midvale City
Statement of Net Position (Continued)
June 30, 2022

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 398,250	\$ 364,945	\$ 763,195
Accrued liabilities	272,176	94,209	366,385
Accrued interest payable	289,632	154,985	444,617
Compensated absences	262,051	146,152	408,203
Bonds and notes payable	3,960,814	1,630,000	5,590,814
Due to other funds	-	34,185	34,185
Total current liabilities	5,182,923	2,424,476	7,607,399
Noncurrent liabilities:			
Bonds and notes payable	51,139,871	18,478,679	69,618,550
Compensated absences	169,518	62,386	231,904
Deposits held	632,593	55,515	688,108
Total noncurrent liabilities	51,941,982	18,596,580	70,538,562
Total liabilities	57,124,905	21,021,056	78,145,961
Deferred inflows of resources:			
Deferred revenue property taxes	3,599,840	-	3,599,840
Deferred revenue RDA	100,000	-	100,000
Deferred inflows related to pensions, net	2,083,038	808,236	2,891,274
Total deferred inflows of resources	5,782,878	808,236	6,591,114
NET POSITION			
Net investment in capital assets	63,161,804	24,906,854	88,068,658
Restricted for:			
Capital projects and redevelopment	17,806,804	-	17,806,804
Unrestricted	3,990,475	13,011,055	17,001,530
Total net position	\$ 84,959,083	\$ 37,917,909	\$ 122,876,992

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

Midvale City
Statement of Activities
For the Fiscal Year Ended June 30, 2022

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities						
General government	10,513,263	2,101,222	212,659	-	(8,199,382)	(8,199,382)
Public safety	10,285,577	844,694	30,441	-	(9,410,442)	(9,410,442)
Highways and public improvements	2,415,708	-	-	2,571,243	155,535	155,535
Parks, recreation and public property	1,594,145	34,790	-	-	(1,559,355)	(1,559,355)
Redevelopment	2,840,234	-	6,893,701	-	4,053,467	4,053,467
Community development	1,312,434	965,774	-	729,000	382,340	382,340
Interest and other fiscal charges	1,666,770	-	-	-	(1,666,770)	(1,666,770)
Total governmental activities	30,628,131	3,946,480	7,136,801	3,300,243	(16,244,607)	(16,244,607)
Business-type activities						
Water	5,472,697	7,588,642	-	-		2,115,945
Sewer	2,735,782	3,071,693	-	-		335,911
Storm water	1,806,723	2,162,486	-	-		355,763
Sanitation	1,209,024	1,309,536	-	-		100,512
Telecommunications	948,418	16,607	-	-		(931,811)
Street lighting	321,170	407,830	-	-		86,660
Total business-type activities	12,493,814	14,556,794	-	-		2,062,980
General Revenues:						
Taxes						
Property taxes					4,645,942	-
Sales taxes					12,037,076	-
Telecommunications and franchise taxes					2,799,999	-
Gain on sale of assets/equity investment income					72,399	181,786
Interest income					422	(4,231)
Miscellaneous					719,309	-
Transfers - net					(820,369)	820,369
Total general revenue and transfers					19,454,778	997,924
Change in net position					3,210,171	3,060,904
Net position - beginning					81,748,912	34,857,005
Net position - ending					84,959,083	37,917,909
						122,876,992

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Midvale City
Balance Sheet - Governmental Funds
June 30, 2022

	Special Revenue					
	General	Debt Service	Capital Projects	Redevelopment Agency	Municipal Building Authority	Total Governmental Funds
ASSETS						
Cash, cash equivalents, and investments						
Unrestricted	6,378,507	3,592	4,245,897	11,507,829	50,290	\$ 22,186,115
Restricted	-	233	-	1,212,912	607,053	1,820,198
Receivables, net:						
Accounts and other	5,543	-	-	100,500	5,859	111,902
Taxes	4,977,220	-	176,835	682,655	-	5,836,710
Court fines	251,046	-	-	-	-	251,046
Intergovernmental	622,885	-	-	-	-	622,885
Due from other funds	34,185	-	-	-	-	34,185
Deposits	119,603	-	-	3,367	-	122,970
Land held for resale	-	-	-	150,130	-	150,130
Total assets	12,388,989	3,825	4,422,732	13,657,393	663,202	31,136,141
LIABILITIES						
Accounts payable	180,157	2,100	56,113	78,526	20	316,916
Deposits held	629,718	-	2,875	-	-	632,593
Accrued liabilities	249,320	-	-	16,567	-	265,887
Total liabilities	1,059,195	2,100	58,988	95,093	20	1,215,396
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	2,917,185	-	-	682,655	-	3,599,840
Unavailable revenue - fines, fees, and other	251,189	-	-	100,000	-	351,189
Total deferred inflows of resources	3,168,374	-	-	782,655	-	3,951,029
FUND BALANCES						
Restricted for:						
B&C road funds	293,871	-	-	-	-	293,871
Debt service	-	233	-	1,212,912	607,053	1,820,198
Total restricted	293,871	233	-	1,212,912	607,053	2,114,069
Assigned to:						
Special revenue funds	-	-	-	11,566,733	56,129	11,622,862
Capital projects funds	-	-	4,363,744	-	-	4,363,744
Total assigned	-	-	4,363,744	11,566,733	56,129	15,986,606
Unassigned	7,867,549	1,492	-	-	-	7,869,041
Total fund balances	8,161,420	1,725	4,363,744	12,779,645	663,182	25,969,716
Total liabilities, deferred inflows of resources, and fund balances	\$ 12,388,989	\$ 3,825	\$ 4,422,732	\$ 13,657,393	\$ 663,202	\$ 31,136,141

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, 2022

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

Total Fund Balances - Total Governmental Funds	\$ 25,969,716
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of the assets is \$155,426,336 less the accumulated depreciation of \$45,950,817.	109,475,519
Interest on general obligation and lease revenue bonds is not accrued in governmental funds but rather is recognized as an expenditure when due.	(289,632)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(55,514,550)
Pension liabilities and assets are not due and payable in the current period and, therefore, are not reported in the funds.	121,237
Other assets are not available to pay for current period expenditures and, therefore, are either deferred or not applicable to funds.	251,189
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.	4,945,604
Net Position - Governmental Activities	<u>\$ 84,959,083</u>

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, 2022

	Special Revenue					
	General	Debt Service	Capital Projects	Redevelopment Agency	Municipal Building Authority	Total Governmental Funds
REVENUES						
Taxes	\$ 16,553,309	\$ -	\$ 1,000,875	\$ 1,928,834	\$ -	\$ 19,483,018
Licenses and permits	711,320	-	-	-	-	711,320
Intergovernmental	2,814,343	-	729,000	6,893,701	-	10,437,044
Charges for service	2,138,921	245,331	-	20,496	-	2,404,748
Fines and forfeitures	830,411	-	-	-	-	830,411
Interest income	-	275	-	-	147	422
Miscellaneous	40,904	-	-	200	678,205	719,309
Total revenues	23,089,208	245,606	1,729,875	8,843,231	678,352	34,586,272
EXPENDITURES						
Current:						
General government	4,860,346	372,898	-	-	-	5,233,244
Public safety	10,322,679	-	-	-	-	10,322,679
Highways and public improvements	1,372,192	-	-	190,586	-	1,562,778
Parks, recreation, and public property	1,131,749	-	-	-	-	1,131,749
Redevelopment	-	-	-	2,840,234	-	2,840,234
Community development	1,312,434	-	-	-	-	1,312,434
Total current expenditures	18,999,400	372,898	-	3,030,820	-	22,403,118
Capital outlay:						
Capital outlay	-	-	5,875,905	-	2,520	5,878,425
Debt service:						
Principal	-	703,717	-	2,039,000	500,000	3,242,717
Interest	22,190	318,814	-	1,453,017	175,906	1,969,927
Bond issuance costs	-	4,550	-	-	-	4,550
Total debt service	22,190	1,027,081	-	3,492,017	675,906	5,217,194
Total expenditures	19,021,590	1,399,979	5,875,905	6,522,837	678,426	33,498,737
Excess (deficiency) of revenues over (under) expenditures	4,067,618	(1,154,373)	(4,146,030)	2,320,394	(74)	1,087,535
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of assets	207	-	-	-	-	207
Issuance of debt	-	-	5,500,000	-	-	5,500,000
Transfers in	-	1,156,098	1,249,526	-	-	2,405,624
Transfers out	(3,225,993)	-	(100,000)	-	-	(3,325,993)
Total other financing sources (uses)	(3,225,786)	1,156,098	6,649,526	-	-	4,579,838
Net change in fund balance	841,832	1,725	2,503,496	2,320,394	(74)	5,667,373
Fund balances at beginning of year	7,319,588	-	1,860,248	10,459,251	663,256	20,302,343
Fund balances at end of year	\$ 8,161,420	\$ 1,725	\$ 4,363,744	\$ 12,779,645	\$ 663,182	\$ 25,969,716

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, 2022

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

Net change in fund balances - total governmental funds	<u>\$ 5,667,373</u>
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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.

(2,024,294)

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.

(1,951,165)

Some revenues in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds.

733,731

The net revenue of certain activities of the Internal Service Fund is reported with governmental activities.

784,526

Change in net position of governmental activities	<u><u>\$ 3,210,171</u></u>
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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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 14,169,724	\$ 15,028,737	\$ 16,553,309	\$ 1,524,572
Licenses and permits	855,000	855,000	711,320	(143,680)
Intergovernmental	2,536,841	2,589,303	2,814,343	225,040
Charges for services	2,147,254	2,187,914	2,138,921	(48,993)
Fines and forfeitures	835,576	835,576	830,411	(5,165)
Interest income	5,000	5,000	-	(5,000)
Miscellaneous	17,253	27,338	40,904	13,566
Total revenues	<u>20,566,648</u>	<u>21,528,868</u>	<u>23,089,208</u>	<u>1,560,340</u>
EXPENDITURES				
General government:				
City council	338,213	341,995	334,116	7,879
Court	931,325	908,633	769,645	138,988
General administration	1,286,330	1,221,082	1,101,313	119,769
Information technology	727,401	775,113	739,297	35,816
Finance	500,035	500,078	459,281	40,797
Recorder	354,815	366,379	338,531	27,848
City attorney	628,822	732,434	626,333	106,101
Non-departmental	166,772	168,071	133,618	34,453
Community and intergovernmental services	337,592	387,305	311,356	75,949
Employee services	69,200	86,950	46,856	40,094
Public safety:				
Police	9,578,420	10,542,620	10,322,679	219,941
Highways and public improvements	1,533,240	1,477,254	1,372,192	105,062
Parks, recreation and public property	1,351,922	1,350,658	1,131,749	218,909
Community development	1,440,838	1,516,665	1,312,434	204,231
Debt service:				
Interest	-	-	22,190	(22,190)
Total expenditures	<u>19,244,925</u>	<u>20,375,237</u>	<u>19,021,590</u>	<u>1,353,647</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,321,723</u>	<u>1,153,631</u>	<u>4,067,618</u>	<u>2,913,987</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	207	207
Transfers in	1,204,270	1,372,362	-	(1,372,362)
Transfers out	(2,525,993)	(2,525,993)	(3,225,993)	(700,000)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>841,832</u>	<u>\$ 841,832</u>
Fund balance at beginning of year			<u>7,319,588</u>	
Fund balance at end of year			<u>\$ 8,161,420</u>	

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Taxes	8,926,347	1,928,834	\$ 1,928,834	\$ -
Intergovernmental	-	6,893,701	6,893,701	-
Charges for service	-	17,055	20,496	3,441
Interest income	48,000	55,000	-	(55,000)
Miscellaneous	-	-	200	200
Total revenues	8,974,347	8,894,590	8,843,231	(51,359)
<u>EXPENDITURES</u>				
Redevelopment	1,422,000	1,249,508	2,840,234	(1,590,726)
Administration	2,733,730	3,319,663	-	3,319,663
Highways and public improvements	1,693,000	1,829,730	190,586	1,639,144
Debt service				
Principal	2,039,000	2,039,000	2,039,000	-
Interest	1,439,715	1,439,715	1,453,017	(13,302)
Total expenditures	9,327,445	9,877,616	6,522,837	3,354,779
Excess (deficiency) of revenues over (under) expenditures	(353,098)	(983,026)	2,320,394	3,303,420
<u>OTHER FINANCING SOURCES</u>				
Proceeds from sale of assets	193,000	193,000	-	(193,000)
Transfers in	5,265,435	6,160,253	-	(6,160,253)
Transfers out	(5,105,337)	(5,370,227)	-	5,370,227
Total other financing sources (uses)	353,098	983,026	-	(983,026)
Net change in fund balance	\$ -	\$ -	2,320,394	\$ 2,320,394
Fund balance at beginning of year			10,459,251	
Fund balance at end of year			\$ 12,779,645	

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Lease and other revenue	\$ 678,206	\$ 678,206	\$ 678,205	\$ (1)
Interest income	800	800	147	(653)
Total revenues	679,006	679,006	678,352	(654)
<u>EXPENDITURES</u>				
Capital outlay	3,100	3,100	2,520	580
Debt service				
Principal	500,000	500,000	500,000	-
Interest	175,906	175,906	175,906	-
Total expenditures	679,006	679,006	678,426	580
Excess (deficiency) of revenues over (under) expenditures	-	-	(74)	(74)
Net change in fund balance	\$ -	\$ -	(74)	\$ (74)
Fund balance at beginning of year			663,256	
Fund balance at end of year			\$ 663,182	

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 - Capital Projects
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Intergovernmental	\$ 787,359	\$ 947,359	\$ 729,000	\$ (218,359)
Taxes	772,707	932,707	1,000,875	68,168
Total revenues	1,560,066	1,880,066	1,729,875	(150,191)
<u>EXPENDITURES</u>				
Capital outlay	2,109,592	9,538,500	5,875,905	3,662,595
Total expenditures	2,109,592	9,538,500	5,875,905	3,662,595
Excess (deficiency) of revenues over (under) expenditures	(549,526)	(7,658,434)	(4,146,030)	3,512,404
<u>OTHER FINANCING SOURCES</u>				
Proceeds from long term debt	-	5,500,000	5,500,000	-
Transfers in(out)	549,526	2,158,434	1,149,526	(1,008,908)
Total other financing sources	549,526	7,658,434	6,649,526	(1,008,908)
Net change in fund balance	\$ -	\$ -	2,503,496	\$ 2,503,496
Fund balance at beginning of year			1,860,248	
Fund balance at end of year			\$ 4,363,744	

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, 2022

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water	Sewer	Storm Water	Other Proprietary Funds	Total	
ASSETS						
Current assets:						
Cash, cash equivalents, and investments						
Unrestricted	\$ 2,597,823	\$ 846,757	1,326,498	\$ 315,414	\$ 5,086,492	\$ 3,304,317
Restricted (bond)	658,638	265,305	5	-	923,948	-
Receivables:						
Accounts, net	767,452	348,971	215,683	178,993	1,511,099	183,839
Contracts	-	-	-	14,580	14,580	-
Allowance for doubtful accounts	-	-	(6,000)	-	(6,000)	-
Inventory	458,643	-	-	-	458,643	-
Deposits	14,034	8,475	14,237	79,689	116,435	2,244
Total current assets	4,496,590	1,469,508	1,550,423	588,676	8,105,197	3,490,400
Noncurrent assets:						
Contracts receivable	-	-	-	102,895	102,895	-
Investment in Joint Venture - South Valley Water Reclamation	-	4,910,761	-	-	4,910,761	-
Investment in Joint Venture - Jordan Cities Landfill	-	-	-	1,840,452	1,840,452	-
Notes receivable, less allowance for doubtful accounts	-	-	-	(29,417)	(29,417)	-
Due from other funds	-	-	-	-	-	-
Net pension asset	249,201	142,163	183,315	7,482	582,161	33,462
Capital assets:						
Land	115,062	-	-	-	115,062	-
Water stock	3,081,299	-	-	-	3,081,299	-
Construction in progress	77,818	-	-	-	77,818	-
Buildings, net	1,606,771	-	1,632,776	-	3,239,547	-
Improvements, net	28,548,374	3,996,384	4,682,269	-	37,227,027	-
Automobiles, net	-	-	-	-	-	655,080
Machinery and equipment, net	48,535	188,601	2,095	-	239,231	905,973
Total noncurrent assets	33,727,060	9,237,909	6,500,455	1,921,412	51,386,836	1,594,515
Total assets	\$ 38,223,650	\$ 10,707,417	8,050,878	\$ 2,510,088	\$ 59,492,033	\$ 5,084,915
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	\$ 100,492	\$ 47,801	99,627	\$ 7,248	\$ 255,168	\$ 13,291
Total deferred outflows of resources	\$ 100,492	\$ 47,801	99,627	\$ 7,248	\$ 255,168	\$ 13,291

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

Midvale City
Statement of Net Position - Proprietary Funds (Continued)
June 30, 2022

	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	\$ 268,459	\$ 15,784	10,164	\$ 70,538	\$ 364,945	\$ 81,334
Accrued liabilities	41,964	22,294	28,911	1,040	94,209	6,289
Compensated absences	56,597	34,521	52,763	2,271	146,152	15,477
Accrued interest payable	112,078	32,820	10,087	-	154,985	-
Bonds payable	1,071,050	216,600	342,350	-	1,630,000	-
Total current liabilities	1,550,148	322,019	444,275	73,849	2,390,291	103,100
Noncurrent liabilities:						
Due to other funds	-	-	-	34,185	34,185	-
Compensated absences	30,740	5,250	26,396	-	62,386	2,227
Deposits held	55,515	-	-	-	55,515	-
Notes payable	-	-	-	111,601	111,601	-
Bonds payable	11,863,980	3,186,200	2,665,820	-	17,716,000	-
Unamortized bond premium	487,761	163,317	-	-	651,078	-
Total noncurrent liabilities	12,437,996	3,354,767	2,692,216	145,786	18,630,765	2,227
Total liabilities	13,988,144	3,676,786	3,136,491	219,635	21,021,056	105,327
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred inflows related to pensions	351,658	183,643	260,793	12,142	808,236	47,275
Total deferred inflows of resources	351,658	183,643	260,793	12,142	808,236	47,275
<u>NET POSITION</u>						
Net investment in capital assets	20,713,706	884,173	3,308,975	-	24,906,854	1,561,053
Unrestricted	3,270,634	6,010,616	1,444,246	2,285,559	13,011,055	3,384,551
Total net position	\$ 23,984,340	\$ 6,894,789	4,753,221	\$ 2,285,559	\$ 37,917,909	\$ 4,945,604

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

Midvale City
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	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	\$ 5,452,789	\$ 3,050,229	\$ 2,066,455	\$ 1,733,973	\$ 12,303,446	\$ 1,640,615
Intergovernmental	2,019,299	-	-	-	2,019,299	\$ -
Connection fees	51,500	2,000	-	-	53,500	-
Other	65,054	19,464	96,031	-	180,549	-
Total operating revenues	7,588,642	3,071,693	2,162,486	1,733,973	14,556,794	1,640,615
<u>OPERATING EXPENSES</u>						
Salaries and wages	725,051	406,829	544,856	21,611	1,698,347	118,317
Employee benefits	257,481	146,756	221,213	8,116	633,566	47,019
Administration	1,031,165	536,153	591,617	345,871	2,504,806	215,903
Supplies	1,603	-	-	-	1,603	124,521
Repairs and maintenance	139,860	92,522	162,428	-	394,810	120,951
Waste disposal	-	-	-	1,094,161	1,094,161	-
Purchase/treatment:						
Water	1,467,271	-	-	-	1,467,271	-
Sewer	-	1,293,985	-	-	1,293,985	-
Street lighting	-	-	-	60,435	60,435	-
Telecommunications	-	-	-	948,418	948,418	-
Capitla Outlay	528,640	-	-	-	528,640	-
Depreciation	1,017,380	134,264	212,623	-	1,364,267	396,024
Total operating expenses	5,168,451	2,610,509	1,732,737	2,478,612	11,990,309	1,022,735
Operating income (loss)	2,420,191	461,184	429,749	(744,639)	2,566,485	617,880
<u>NONOPERATING REVENUES (EXPENSES)</u>						
Interest income	-	(1,631)	(2,968)	368	(4,231)	(5,546)
Interest expense	(304,246)	(125,273)	(73,986)	-	(503,505)	-
Gain on equity investment	-	-	-	181,786	181,786	-
Gain on disposal of equipment	-	-	-	-	-	72,192
Total nonoperating revenues (expenses)	(304,246)	(126,904)	(76,954)	182,154	(325,950)	66,646
Income before transfers	2,115,945	334,280	352,795	(562,485)	2,240,535	684,526
Transfers in	-	-	-	820,369	820,369	100,000
Change in net position	2,115,945	334,280	352,795	257,884	3,060,904	784,526
Total net position - beginning	21,868,395	6,560,509	4,400,426	2,027,675	34,857,005	4,161,078
Total net position - ending	\$ 23,984,340	\$ 6,894,789	\$ 4,753,221	\$ 2,285,559	\$ 37,917,909	\$ 4,945,604

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

Midvale City
Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	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	\$ 7,540,389	\$ 2,997,050	\$ 2,128,327	\$ 1,718,384	\$ 14,384,150	\$ 1,454,773
Payments to suppliers	(3,059,349)	(1,621,187)	(348,856)	(2,517,007)	(7,546,399)	(178,713)
Payments for interfund services	(651,862)	(341,000)	(407,473)	-	(1,400,335)	(215,903)
Payments to employees	(1,027,186)	(630,391)	(844,569)	(32,162)	(2,534,308)	(177,463)
Other operating revenues (expenses)	-	(94,476)	-	-	(94,476)	-
Net cash provided (used) by operating activities	2,801,992	309,996	527,429	(830,785)	2,808,632	882,694
Cash flows from noncapital financing activities						
Decrease in contracts receivable	-	-	-	13,860	13,860	-
Decrease in notes receivable	-	-	-	110,676	110,676	-
Transfers (to) from other funds	-	-	-	820,369	820,369	100,000
Net cash provided (used) by noncapital financing activities	-	-	-	944,905	944,905	100,000
Cash flows from capital and related financing activities						
Purchase of capital assets	(430,200)	-	-	-	(430,200)	(360,442)
Proceeds from sale of capital assets	-	-	-	-	-	285,951
Principal paid on capital debt	(1,092,644)	(219,397)	(343,580)	(14,136)	(1,669,757)	-
Interest and fees paid on capital debt	(317,852)	(125,861)	(75,138)	-	(518,851)	-
Net cash provided (used) by capital and related financing activities	(1,840,696)	(345,258)	(418,718)	(14,136)	(2,618,808)	(74,491)
Cash flows from investing activities						
Interest received	-	(1,631)	(2,968)	368	(4,231)	(5,546)
Net cash provided by investing activities	-	(1,631)	(2,968)	368	(4,231)	(5,546)
Net increase (decrease) in cash and cash equivalents	961,296	(36,893)	105,743	100,352	1,130,498	902,657
Cash and cash equivalents, beginning of year	2,295,165	1,148,955	1,220,760	215,062	4,879,942	2,401,660
Cash and cash equivalents, end of year	\$ 3,256,461	\$ 1,112,062	\$ 1,326,503	\$ 315,414	\$ 6,010,440	\$ 3,304,317
Unrestricted cash	2,597,823	846,757	1,326,498	315,414	5,086,492	3,304,317
Restricted cash	658,638	265,305	5	-	923,948	-
	\$ 3,256,461	\$ 1,112,062	\$ 1,326,503	\$ 315,414	\$ 6,010,440	\$ 3,304,317

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

Midvale City
Statement of Cash Flows - Proprietary Funds (Continued)

	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)	\$ 2,420,191	\$ 461,184	\$ 429,749	\$ (744,639)	\$ 2,566,485	\$ 617,880
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	1,017,380	134,264	212,623	-	1,364,267	396,024
Changes in assets and liabilities:						
Accounts receivable	(48,253)	(79,596)	(34,159)	(14,837)	(176,845)	(183,839)
Inventory	(343,492)	-	-	-	(343,492)	-
Deposits	75,014	4,953	(13,445)	(79,652)	(13,130)	(2,003)
Contracts receivable	-	-	-	1,020	1,020	-
Accounts payable	(210,759)	(44,958)	(2,284)	11,530	(246,471)	66,759
Joint venture		(94,476)				
Accrued liabilities	(108,089)	(71,375)	(65,055)	(4,207)	(248,726)	(12,127)
Net cash provided (used) by operating activities	\$ 2,801,992	\$ 309,996	\$ 527,429	\$ (830,785)	\$ 2,903,108	\$ 882,694

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

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

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 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by various enterprise funds for the providing of administrative and billing services for such funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Midvale City
Notes to the Financial Statements
June 30, 2022

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, 2022 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, 2022 is \$8,000.

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, 2022

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, 2022

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. Deferred outflows and inflows relating to pensions were the only deferred outflows and inflows of resources recorded at June 30, 2022.

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, 2022

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, 2022

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	\$ 155,426,335
Accumulated depreciation	<u>(45,950,816)</u>
Total difference	<u>\$ 109,475,518</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, 2022 were:

Lease revenue bonds	\$ 5,665,000
Tax revenue bonds	38,644,000
Direct Borrowings	7,465,176
Bond issuance premiums	3,326,509
Compensated absences	<u>413,865</u>
Total difference	<u>\$ 55,514,550</u>

Midvale City
Notes to the Financial Statements
June 30, 2022

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	\$ 423,246
Depreciation expense	<u>(2,447,797)</u>
Net difference, as reported	<u>\$ (2,024,551)</u>

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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.

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 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, 2022, \$2,051,621 of the City's bank balances of \$2,301,621 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, 2022

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, 2022, the City had the following recurring fair value measurements:

Security Type	Level 1	Level 2	Level 3	Other	Total
PTIF	\$ -	\$ 27,181,351	\$ -	\$ -	\$ 27,181,351
CD	-	2,643,261	-	-	2,643,261
Corporate	-	1,691,172	-	-	1,691,172
US Treasury	71,233	-	-	-	71,233
Currency	112.00	-	-	-	112.00
Money Market Funds	527,729	-	-	-	527,729
International Sweep	1,736,896	-	-	-	1,736,896
	<u>\$ 2,335,970</u>	<u>\$ 31,515,784</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,851,754</u>

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

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 market 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, 2022, 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.

Midvale City
Notes to the Financial Statements
June 30, 2022

As of June 30, 2022, 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	\$ 27,181,351	\$ 27,181,351	\$ -	\$ -	\$ -
CP	-	-	-	-	-
CD	2,643,261	542,218	2,101,043	-	-
Corporate	1,691,172	100,172	1,590,999	-	-
US Treasury	71,233	-	71,233	-	-
Currency	112	112	-	-	-
Money Market Funds	527,729	527,729	-	-	-
International Sweep	1,736,896	1,736,896	-	-	-
	<u>\$ 33,851,754</u>	<u>\$ 30,088,478</u>	<u>\$ 3,763,276</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, 2022, 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	\$ 27,181,351	\$ -	\$ -	\$ -	\$ -	\$ 27,181,351
CP	-	-	-	-	-	-
CD	2,643,261	-	625,242	580,130	338,977	1,098,912
Corporate	1,691,172	-	325,199	1,220,061	-	145,912
US Treasury	71,233	71,233	-	-	-	-
Currency	112.00	112	-	-	-	-
Money Market Funds	527,729	20,364	-	-	-	507,365
International Sweep	1,736,896	-	-	-	-	1,736,896
	<u>\$ 33,851,754</u>	<u>\$ 91,709</u>	<u>\$ 950,441</u>	<u>\$ 1,800,191</u>	<u>\$ 338,977</u>	<u>\$ 30,670,436</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, 2022, the City does not hold more than 5 percent of total investments in any single security concentration.

Midvale City
Notes to the Financial Statements
June 30, 2022

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, 2022, 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, 2022, 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	Capital Projects	RDA	MBA	Internal Service	Total
Receivables:						
Taxes	\$ 4,977,220	\$ 176,835	\$ 682,655	\$ -	\$ -	\$ 5,836,710
Accounts and other	5,543	-	100,500	5,859	183,839	295,741
Court fines	251,046	-	-	-	-	251,046
Intergovernmental	622,885	-	-	-	-	622,885
Gross receivables	5,856,693	176,835	783,155	5,859	183,839	7,006,381
Less: allowance for uncollectibles	-	-	-	-	-	-
Net total receivables	\$ 5,856,693	\$ 176,835	\$ 783,155	\$ 5,859	\$ 183,839	\$ 7,006,381

Business-type Funds

	Water	Sewer	Storm Water	Nonmajor Funds	Total
Receivables:					
Accounts	\$ 767,452	\$ 348,971	\$ 215,683	\$ 180,992	\$ 1,513,098
Contracts	-	-	-	14,580	14,580
Gross receivables	767,452	348,971	215,683	195,572	1,527,678
Less: allowance for uncollectibles	-	-	(6,000)	(2,000)	(8,000)
Net total receivables	\$ 767,452	\$ 348,971	\$ 209,683	\$ 193,572	\$ 1,519,678

Midvale City
Notes to the Financial Statements
June 30, 2022

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 market 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)	2,917,185	-
Property taxes receivable (RDA Fund)	682,655	-
Court fines receivable (General Fund)	250,273	-
Loans receivable (RDA Fund)	100,000	-
Code enforcement liens receivable (General Fund)	916	-
Total deferred/unearned revenue for governmental funds	<u>\$ 3,951,029</u>	<u>\$ -</u>

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Midvale City
Notes to the Financial Statements
June 30, 2022

Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	07/01/21	Increases	Decreases	06/30/22
<u>Governmental activities</u>				
Capital assets, not depreciated:				
Land	\$ 65,065,740	\$ -	\$ -	\$ 65,065,740
Construction in progress	20,046	-	-	20,046
 Total capital assets, not depreciated	 65,085,786	 -	 -	 65,085,786
 Capital assets, depreciated:				
Buildings	27,066,336	-	-	27,066,336
Improvements other than buildings	4,431,176	17,208	-	4,448,384
Infrastructure	56,406,482	352,018	-	56,758,500
Machinery and equipment	5,931,326	417,138	(290,744)	6,057,721
 Total capital assets, depreciated	 93,835,321	 786,364	 (290,744)	 94,330,941
 Accumulated depreciation:				
Buildings	(5,251,992)	(553,003)	-	(5,804,995)
Improvements other than buildings	(870,175)	(156,878)	-	(1,027,053)
Infrastructure	(36,060,409)	(1,597,507)	-	(37,657,916)
Machinery and equipment	(3,430,745)	(536,433)	76,985	(3,890,193)
 Total accumulated depreciation	 (45,613,322)	 (2,843,821)	 76,985	 (48,380,157)
 Total capital assets, depreciated (net)	 48,221,999	 (2,057,457)	 (213,759)	 45,950,784
 Net governmental capital assets	 \$ 113,307,785	 \$ (2,057,457)	 \$ (213,759)	 \$ 111,036,571

Midvale City
Notes to the Financial Statements
June 30, 2022

Capital asset activity for the year ended June 30, 2022 was as follows (continued):

	07/01/21	Increases	Decreases	06/30/22
<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	59,034	77,818	(59,034)	77,818
Total capital assets, not depreciated	3,255,395	77,818	(59,034)	3,274,179
Capital assets, depreciated:				
Buildings	4,174,626	-	-	4,174,626
Improvements other than buildings				
Water	40,923,356	422,726	-	41,346,082
Sewer	5,218,985	-	-	5,218,985
Infrastructure	7,010,064	-	-	7,010,064
Machinery and equipment	465,732	-	-	465,732
Total capital assets, depreciated	57,792,763	422,726	-	58,215,489
Accumulated depreciation:				
Buildings	(842,656)	(92,423)	-	(935,079)
Improvements other than buildings				
Water	(11,842,547)	(955,160)	-	(12,797,707)
Sewer	(1,114,633)	(107,969)	-	(1,222,601)
Street lights	-	-	-	-
Infrastructure	(2,153,918)	(173,877)	-	(2,327,795)
Machinery and equipment	(191,663)	(34,838)	-	(226,501)
Total accumulated depreciation	(16,145,416)	(1,364,267)	-	(17,509,683)
Total capital assets, depreciated (net)	41,647,346	(941,541)	-	40,705,806
Net business-type capital assets	\$ 44,902,741	\$ (863,722)	\$ (59,034)	\$ 43,979,985

Midvale City
Notes to the Financial Statements
June 30, 2022

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

Governmental activities:	
General government	\$ 304,572
Public works	1,837,885
Community development	17,964
Redevelopment agency	224,932
Other	75,856
Capital assets held by the government's Internal Service Funds are charged to various functions based on their usage of assets	<u>382,612</u>
Total depreciation expense - governmental activities	<u>\$ 2,843,821</u>
Business-type activities:	
Water	\$ 1,017,380
Storm water	212,623
Sewer	<u>134,264</u>
Total depreciation expense - business-type activities	<u>\$ 1,364,267</u>

As of June 30, 2022, the City had construction commitments of \$94,266 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, 2022

The following entities have capacity rights as of December 31, 2020.

Entity	Percent	Capacity (in millions of gallons per day)
West Jordan City	36.44%	18.22
South Valley Sewer District	32.40%	16.20
Sandy Suburban Improvement District	17.32%	8.66
Midvalley Improvement District	7.68%	3.84
Midvale City Corporation	6.16%	3.08
	100.00%	50.00

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 \$1,271,543 and capital contributions of \$94,477 to SVWRF for the fiscal year ended July 30, 2022.

The complete financial statements for South Valley Water Reclamation Facility for the year ended June 30, 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, 2022, the City has a 5.16 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, 2022 is reported in the government-wide statement of net position.

Tipping fees paid from the Sanitation Fund to Trans-Jordan Cities were \$214,661 for fiscal year 2022.

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, 2022

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, 2021, the net position deficit was \$298,238,010 (June 30, 2022 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 will be 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 \$913,892 in Fiscal Year 2021 to \$1,331,367 in Fiscal Year 2040. Cumulative pledge payments made by the City to UTOPIA total \$10,180,447. 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, 2022

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 \$404 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, 2021 (the last date audited financial statements are available), the net position was \$(444,056) 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 \$9,874,517 in member assessment fees in fiscal year 2022.

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Midvale City
Notes to the Financial Statements
June 30, 2022

Interfund Receivable, Payables and Transfers

During fiscal year 2022, a number of transfers were made which will not be repaid. Such amounts for the fiscal year ended June 30, 2022 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	\$ 1,249,526
General Fund	Debt Service Fund	Debt payment	1,156,098
General Fund	Telecommunications	UTOPIA pledge payment	820,369
Capital Projects Fund	IT Fund	IT Projects	100,000
			<u>\$ 3,325,993</u>

<u>Fund</u>	<u>Transfer Out</u>	<u>Transfer In</u>
General	\$ 3,225,993	\$ -
Telecommunications	-	820,369
Capital Projects	100,000	1,249,526
IT	-	100,000
Debt Service		1,156,098
	<u>\$ 3,325,993</u>	<u>\$ 3,325,993</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, 2022

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, 2022 by issue are as follows:

Bond Description	Original Issue	Annual Principal	Interest Rate	Final due date	Balance 6/30/2022
Water, Sewer, and Storm Revenue Series 2020	8,175,000	\$514,000 to \$906,000	1.36%	10/1/2030	7,337,000
RDA Revenue Series 2015	12,961,000	\$606,000 to \$940,000	2.06% to 2.62%	5/1/2034	9,784,000
RDA Refunding Series 2017	17,670,000	\$925,000 to \$1,675,000	4.00% to 5.00%	5/1/2034	15,780,000
RDA Revenue Series 2018	7,570,000	\$385,000 to \$730,000	5.00%	5/1/2034	6,780,000
MBA Series 2012	8,990,000	\$235,000 to \$520,000	2.00% to 3.50%	10/15/2038	5,665,000
Sales Tax Revenue Series 2017	8,340,000	\$155,000 to \$745,000	2.00% to 4.00%	5/1/2032	6,300,000
Water and Sewer Series 2007C	5,050,000	\$208,000 to \$303,000	2.00%	10/1/2029	2,263,000
Water/Sewer/Storm Ref Series 2016	4,490,000	\$230,000 to \$395,000	2.00% to 4.00%	10/1/2032	3,530,000
Water/Sewer/Storm Series 2018	6,225,000	\$155,000 to \$380,000	3.00% to 5.00%	10/1/2043	5,630,000
Water and Sewer Series 2012	1,537,000	\$86,000 to \$124,000	2.90%	4/1/2027	586,000
	<u>\$ 81,008,000</u>				<u>\$ 63,655,000</u>

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Midvale City
Notes to the Financial Statements
June 30, 2022

Revenue bond debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2023	4,785,000	2,298,170	7,083,170
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>\$ 63,655,000</u>	<u>\$ 16,800,645</u>	<u>\$ 80,455,645</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 and interest payments total \$49,185,228 (\$22,560,000 RDA, \$6,300,000 Midvale City, and \$20,325,228 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 \$4,223,319 (\$2,513,950 RDA, \$777,200 Midvale City, and \$932,169 UTOPIA), and total sales tax revenues were \$12,037,076. 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 35 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. FY2022 revenues from energy sales and use tax were \$2,062,780. If the City is called upon to make a pledge payment, the payment amount would require 16% 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, 2022

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 \$3,109,328. The 2007C bonds mature in 2030 and the 2012 bonds mature in 2027. For the current year, principal and interest paid totaled \$436,546. Water and sewer operating revenues totaled \$8,503,018. 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 \$20,635,537. The final bonds (series 2018) mature in fiscal year 2044. For the current year, principal and interest paid totaled \$1,723,282 and revenue from water, sewer, and storm water utilities was \$10,569,473. We estimate that annual principal and interest payments on the bonds will require 16 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 \$41,715,414. The bonds mature in 2034. For the current year, principal and interest paid totaled \$3,478,715. Tax increment revenues were \$8,333,574. We estimate that annual principal and interest payments will require a maximum of 45 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 \$7,228,966. The bonds mature in fiscal year 2039. For the current year, principal and interest paid totaled \$678,426. Lease revenues were \$678,205. 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.

Direct borrowings outstanding at June 30, 2022 by loan are as follows:

Bond Description	Original Issue	Annual Principal	Interest Rate	Final due date	Balance 6/30/2022
UDOT Parking Structure Loan	2,163,893	\$191,821 to \$242,732	2.35%	3/22/2031	1,965,176
2022 SIB Zions Loan	5,500,000	\$303,382 to \$438,537	2.65%	3/1/2023	5,500,000
	<u>\$ 7,663,893</u>				<u>\$ 7,465,176</u>

Midvale City
Notes to the Financial Statements
June 30, 2022

Direct borrowings debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2023	502,432	46,614	549,046
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>\$ 7,465,175</u>	<u>\$ 1,382,967</u>	<u>\$ 8,848,142</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.

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, 2022, the note payable balance for services fees collected was \$111,601. During 2012, the City created a telecommunications enterprise fund to account for the activity of this service contract.

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Midvale City
Notes to the Financial Statements
June 30, 2022

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2022 are as follows:

	06/30/21	Increases	Decreases	06/30/22	Due in One Year
<u>Governmental activities</u>					
Bonds payable:					
Lease revenue	\$ 6,165,000	\$ -	\$ (500,000)	\$ 5,665,000	\$ 2,243,382
Tax revenue	41,188,000	-	(2,544,000)	38,644,000	1,215,000
General obligation	-	-	-	-	-
Add: unamortized premiums and discounts	3,605,633	-	(279,124)	3,326,509	-
Total bonds payable	50,958,633	-	(3,323,124)	47,635,509	3,458,382
Direct borrowings	2,163,893	5,500,000	(198,717)	7,465,176	502,432
Compensated absences	427,023	45,206	(40,660)	431,569	262,051
Governmental activities, long-term liabilities	<u>\$ 53,549,549</u>	<u>\$ 5,545,206</u>	<u>\$ (3,562,501)</u>	<u>\$ 55,532,254</u>	<u>\$ 4,222,865</u>
<u>Business-type activities</u>					
Bonds payable:					
Water, Sewer and Storm Drain	\$ 20,950,000	\$ -	\$ (1,604,000)	\$ 19,346,000	\$ 1,630,000
Add: unamortized premium	695,967	6,732	(51,621)	651,078	-
Total bonds payable	21,645,967	6,732	(1,655,621)	19,997,078	1,630,000
Direct borrowings	125,737	-	(14,136)	111,601	-
Capital lease	-	-	-	-	-
Compensated absences	193,250	47,432	(32,144)	208,538	146,152
Business-type activities, long-term liabilities	<u>\$ 21,964,954</u>	<u>\$ 54,164</u>	<u>\$ (1,701,901)</u>	<u>\$ 20,317,217</u>	<u>\$ 1,776,152</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, 2022, there were no outstanding unpaid claims. Also, the City had no claim settlements during the three years ending June 30, 2022 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.

Redevelopment Agency

In connection with the activities of the Redevelopment Agency (RDA), intergovernmental revenues from property tax increments of other governmental entities totaling \$8,333,574 were generated. The RDA was not required to pay any portion of this revenue to other taxing agencies.

During the year ended June 30, 2022, funds expended by the RDA were limited to the categories of redevelopment, administration costs, highways and public improvements, and debt service. Administrative costs totaled \$869,804, redevelopment expenditures (mainly developer reimbursements) totaled \$2,160,996 and debt service costs totaled \$3,478,735.

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, 2022

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, 2022 are as follows:

	Employee Paid	Employer Contributions Rates	Employer 401(k)
Contributory System			
111 Local Government Div - Tier 2	N/A	16.07%	0.62%
Noncontributory System			
15 Local Government Div - Tier 1	N/A	18.47%	N/A
Tier 2 DC Only			
211 Local Government	N/A	6.89%	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, 2022

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, 2022, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 464,306	N/A
Tier 2 Public Employees System	391,397	-
Tier 2 DC Only System	44,828	N/A
Total Contributions	<u>\$ 900,531</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, 2022, the City reported a net pension asset of \$2,078,847 and a net pension liability of \$0

	(Measurement Date): December 31, 2021				
	<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	\$ 2,025,847.00	\$ -	0.3537296%	0.3493276%	0.0044020%
Tier 2 Public Employees System	52,558	-	0.1241807%	0.1320274%	-0.0078467%
Total net pension asset/liability	<u><u>\$ 2,078,405</u></u>	<u><u>\$ -</u></u>			

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

For the year ended June 30, 2022, the City recognized pension expense of (\$140,899).

Midvale City
Notes to the Financial Statements
June 30, 2022

At June 30, 2022, 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	\$ 237,720	\$ 6,772
Changes in assumptions	239,139	13,573
Net difference between projected and actual earnings on pension plan investments	-	2,857,395
Changes in proportion and differences between contributions and proportionate share of contributions	46,250	13,534
Contributions subsequent to the measurement date	439,570	-
Total	<u>\$ 962,679</u>	<u>\$ 2,891,274</u>

The \$439,570 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, 2021.

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
2022	\$ (475,078)
2023	(802,019)
2024	(682,308)
2025	(466,194)
2026	10,244
Thereafter	47,189

Midvale City
Notes to the Financial Statements
June 30, 2022

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

For the year ended June 30, 2022, we recognized pension expense of (\$323,460).

At June 30, 2022, 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	\$ 212,186	\$ -
Changes in assumptions	190,133	13,076
Net difference between projected and actual earnings on pension plan investments	-	2,727,531
Changes in proportion and differences between contributions and proportionate share of contributions	17,424	13,534
Contributions subsequent to the measurement date	223,602	-
Total	\$ 643,345	\$ 2,754,141

The \$223,602 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, 2021.

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
2022	\$ (450,737)
2023	(770,798)
2024	(659,675)
2025	(453,188)
2026	-
Thereafter	-

Midvale City
Notes to the Financial Statements
June 30, 2022

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

For the year ended June 30, 2022, we recognized pension expense of \$182,561.

At June 30, 2022, 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	\$ 25,534	\$ 6,772
Changes in assumptions	49,006	497
Net difference between projected and actual earnings on pension plan investments	-	129,864
Changes in proportion and differences between contributions and proportionate share of contributions	28,826	-
Contributions subsequent to the measurement date	215,968	-
Total	\$ 319,334	\$ 137,133

The \$215,968 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, 2021.

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
2022	\$ (24,341)
2023	(31,222)
2024	(22,633)
2025	(13,006)
2026	10,244
Thereafter	47,189

Midvale City
Notes to the Financial Statements
June 30, 2022

Actuarial Assumptions

The total pension liability in the December 31, 2021 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, 2021, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of 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	37.00%	6.58%	2.43%
Debt securities	20.00%	-0.28%	-0.06%
Real assets	15.00%	5.77%	0.87%
Private equity	12.00%	9.85%	1.18%
Absolute return	16.00%	2.91%	0.47%
Cash and cash equivalents	0.00%	-1.01%	0.00%
Totals	100.00%		4.89%
	Inflation		2.50%
	Expected arithmetic nominal return		7.39%

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.

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. The discount rate was reduced from 6.95 percent to 6.85 percent from the prior measurement date.

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:

<u>System</u>	<u>1% Decrease (5.95%)</u>	<u>Discount Rate (6.95%)</u>	<u>1% Increase (7.95%)</u>
Noncontributory System	\$ 1,089,359	\$ (2,025,847)	\$ (4,624,880)
Tier 2 Public Employees System	313,152	(52,558)	(333,347)
Total	<u>\$ 1,402,511</u>	<u>\$ (2,078,405)</u>	<u>\$ (4,958,227)</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, 2022

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
401(k) Plan						
Employer Contributions	\$ 90,976	\$ 98,786	\$ 87,251	\$ 68,865	\$ 49,678	\$ 32,471
Employee Contributions	67,525	59,515	45,685	32,837	19,924	8,308
Roth IRA Plan						
Employer Contributions	N/A	N/A	N/A	N/A	N/A	N/A
Employee Contributions	23,105	19,375	13,237	8,916	3,152	2,810
Traditional IRA						
Employer Contributions	N/A	N/A	N/A	N/A	N/A	N/A
Employee Contributions	-	-	400	-	-	-

Actuarial calculated pension expense per GASB 68 schedule for Net Pension Asset

Noncontributory	\$ (323,460)
Tier 2 public employees	182,561
Total Pension Expense	<u>(140,899.00)</u>

Subsequent Events

The City as evaluated events subsequent to June 30, 2022 through the date of the audit report, which is the date the financial statements were available to be issued.

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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)	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)	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	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	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)	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	646,306	-	2,513,842	18.47%
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%
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%

*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.

1. CHANGES IN ASSUMPTIONS

The investment return assumption was decreased by 0.10% to 6.85 for use in the January 1, 2021 actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in the Total Pension Liability, which is about 1.3% of the Total Pension Liability as of December 31, 2020 for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be reviewed in the year 2023.

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SUPPLEMENTARY INFORMATION



Nonmajor Proprietary Funds

Midvale City
Combining Statement of Net Position—Nonmajor Proprietary Funds
June 30, 2022

	<u>Street Lighting</u>	<u>Sanitation</u>	<u>Telecom</u>	<u>Total</u>
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents				
Unrestricted	\$ 148,319	\$ 166,882	\$ 213	\$ 315,414
Receivables:				
Accounts	43,467	133,496	2,030	178,993
Contracts receivable	-	-	14,580	14,580
Deposits	286	300	79,103	79,689
Total current assets	192,072	300,678	95,926	588,676
Noncurrent assets:				
Net pension asset	3,325	4,157	-	7,482
Contracts receivable	-	-	102,895	102,895
Notes receivable, net	-	-	(29,417)	(29,417)
Investment in Trans-Jordan Cities Landfill	-	1,840,452	-	1,840,452
Total noncurrent assets	3,325	1,844,609	73,478	1,921,412
Total assets	195,397	2,145,287	169,404	2,510,088
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred outflows related to pensions	1,274	5,974	-	7,248
Total deferred outflows of resources	1,274	5,974	-	7,248
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	6,617	63,921	-	70,538
Accrued liabilities	444	596	-	1,040
Compensated absences	1,206	1,065	-	2,271
Total current liabilities	8,267	65,582	-	73,849
Noncurrent liabilities:				
Due to other funds	-	-	34,185	34,185
Notes payable	-	-	111,601	111,601
Total noncurrent liabilities	-	-	145,786	145,786
Total liabilities	8,267	65,582	145,786	219,635
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred inflows related to pensions	4,531	7,611	-	12,142
Total deferred inflows of resources	4,531	7,611	-	12,142
<u>NET POSITION</u>				
Unrestricted	183,873	2,078,068	23,618	2,285,559
Total net position	\$ 183,873	\$ 2,078,068	\$ 23,618	\$ 2,285,559

Midvale City
Combining Statement of Revenues, Expenses, and Changes in Net Position Nonmajor Pro-
prietary Funds
For the Year Ended June 30, 2022

	<u>Street Lighting</u>	<u>Sanitation</u>	<u>Telecom</u>	<u>Total</u>
<u>OPERATING REVENUES</u>				
Charges for services	\$ 407,830	\$ 1,309,536	\$ 16,607	\$ 1,733,973
Total operating revenues	407,830	1,309,536	16,607	1,733,973
<u>OPERATING EXPENSES</u>				
Salaries and wages	9,472	12,139	-	21,611
Employee benefits	3,965	4,151	-	8,116
Administration	247,298	98,573	-	345,871
Street lighting	60,435	-	-	60,435
Waste disposal	-	1,094,161	-	1,094,161
Telecommunications	-	-	948,418	948,418
Total operating expenses	321,170	1,209,024	948,418	2,478,612
Operating income (loss)	86,660	100,512	(931,811)	(744,639)
<u>NONOPERATING REVENUES (EXPENSES)</u>				
Interest income	(597)	(833)	1,798	368
Gain/(Loss) on equity investment	-	181,786	-	181,786
Total nonoperating revenues (expenses)	(597)	180,953	1,798	182,154
Income before transfers	86,063	281,465	(930,013)	(562,485)
Transfers in	-	-	820,369	820,369
Change in net position	86,063	281,465	(109,644)	257,884
Total net position - beginning	97,810	1,796,603	133,262	2,027,675
Total net position - ending	\$ 183,873	\$ 2,078,068	\$ 23,618	\$ 2,285,559

Midvale City

Combining Statement of Cash Flows - Nonmajor Proprietary Funds

For the Year Ended June 30, 2022

	Street Lighting	Sanitation	Telecom	Total
Cash flows from operating activities				
Receipts from customers	\$ 400,423	\$ 1,301,191	\$ 16,770	\$ 1,718,384
Payments to suppliers	(309,003)	(1,214,668)	(993,336)	(2,517,007)
Payments to employees	(13,476)	(18,686)	-	(32,162)
Net cash provided (used) by operating activities	77,944	67,837	(976,566)	(830,785)
Cash flows from noncapital financing activities				
Transfers (to) from other funds	-	-	820,369	820,369
Decrease in contracts receivable	-	-	13,860	13,860
Decrease in notes receivable	-	-	110,676	110,676
Net cash provided by noncapital financing activities	-	-	944,905	944,905
Cash flows from capital and related financing activities				
Decrease in notes payable	-	-	(14,136)	(14,136)
Net cash provided by capital and related financing activities	-	-	(14,136)	(14,136)
Cash flows from investing activities				
Interest received	(597)	(833)	1,798	368
Net cash provided by investing activities	(597)	(833)	1,798	368
Net increase (decrease) in cash and cash equivalents	77,347	67,004	(43,999)	100,352
Cash and cash equivalents, beginning of year	70,972	99,878	44,212	215,062
Cash and cash equivalents, end of year	148,319	166,882	213	315,414
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	86,660	100,512	(931,811)	(744,639)
Changes in assets and liabilities:				
Accounts receivable	(5,635)	(8,345)	(857)	(14,837)
Deposits	(268)	(281)	(79,103)	(79,652)
Contracts receivable	-	-	1,020	1,020
Accounts payable	(1,002)	(21,653)	34,185	11,530
Accrued liabilities	(1,811)	(2,396)	-	(4,207)
Net cash provided (used) by operating activities	\$ 77,944	\$ 67,837	\$ (976,566)	\$ (830,785)

Midvale City
Combining Statement of Net Position—Internal Service Funds
June 30, 2022

	Fleet	IT	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents			
Unrestricted	\$ 2,895,303	\$ 409,014	\$ 3,304,317
Accounts receivable	183,839	-	183,839
Deposits	1,950	294	2,244
Total current assets	3,081,092	409,308	3,490,400
Noncurrent assets:			
Net pension asset	33,462	-	33,462
Capital assets:			
Automobiles, net	365,122	-	365,122
Machinery and equipment, net	1,017,783	178,148	1,195,931
Total noncurrent assets	1,416,367	178,148	1,594,515
Total assets	4,497,459	587,456	5,084,915
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	13,291	-	13,291
Total deferred outflows of resources	13,291	-	13,291
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	9,230	72,104	81,334
Accrued liabilities	5,422	867	6,289
Compensated absences	14,337	1,140	15,477
Total current liabilities	28,989	74,111	103,100
Noncurrent liabilities:			
Compensated absences	2,227	-	2,227
Total noncurrent liabilities	2,227	-	2,227
Total liabilities	31,216	74,111	105,327
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions	47,275	-	47,275
Total deferred inflows of resources	47,275	-	47,275
<u>NET POSITION</u>			
Net investment in capital assets	1,382,905	178,148	1,561,053
Unrestricted	3,049,354	335,197	3,384,551
Total net position	\$ 4,432,259	\$ 513,345	\$ 4,945,604

Midvale City

Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds

For the Year Ended June 30, 2022

	Fleet	IT	Total
<u>OPERATING REVENUES</u>			
Charges for services	1,429,952	210,663	1,640,615
Other	-	-	-
Total operating revenues	1,429,952	210,663	1,640,615
<u>OPERATING EXPENSES</u>			
Salaries and wages	99,142	19,175	118,317
Employee benefits	36,358	10,661	47,019
Administration	215,748	155	215,903
Supplies and equipment	3,992	120,529	124,521
Repairs and maintenance	120,951	-	120,951
Depreciation expense	382,612	13,412	396,024
Total operating expenses	858,803	163,932	1,022,735
Operating income	571,149	46,731	617,880
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest expense	(4,889)	(657)	(5,546)
Gain on disposal of equipment	71,820	372	72,192
Total nonoperating revenues (expenses)	66,931	(285)	66,646
Income before transfers	638,080	46,446	684,526
Transfers in	-	100,000	100,000
Change in net position	638,080	146,446	784,526
Total net position - beginning	3,794,179	366,899	4,161,078
Total net position - ending	\$ 4,432,259	\$ 513,345	\$ 4,945,604

Midvale City
Combining Statement of Cash Flows – Internal Service Funds
For the Year Ended June 30, 2022

	Fleet	IT	Total
Cash flows from operating activities			
Receipts from customers	\$ 1,244,347	\$ 210,426	\$ 1,454,773
Payments to suppliers	(126,644)	(52,069)	(178,713)
Payments for interfund services	(215,748)	(155)	(215,903)
Payments to employees	(147,975)	(29,488)	(177,463)
Net cash provided by operating activities	753,980	128,714	882,694
Cash flows from noncapital financing activities			
Transfers from other funds	-	100,000	100,000
Net cash provided by noncapital financing activities	-	100,000	100,000
Cash flows from capital and related financing activities			
Purchase of capital assets	(289,958)	(70,484)	(360,442)
Proceeds from sale of capital assets	285,579	372	285,951
Net cash provided (used) by capital and related financing activities	(4,379)	(70,112)	(74,491)
Cash flows from investing activities			
Interest received	(4,889)	(657)	(5,546)
Net cash provided by investing activities	(4,889)	(657)	(5,546)
Net increase (decrease) in cash and cash equivalents	744,712	157,945	902,657
Cash and cash equivalents, beginning of year	2,150,591	251,069	2,401,660
Cash and cash equivalents, end of year	\$ 2,895,303	\$ 409,014	\$ 3,304,317
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 571,149	\$ 46,731	\$ 617,880
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	382,612	13,412	396,024
Changes in assets and liabilities:			
Accounts receivable	(183,839)	-	(183,839)
Deposit	(1,766)	(237)	(2,003)
Accounts payable	(1,701)	68,460	66,759
Accrued liabilities	(12,475)	348	(12,127)
Net cash provided by operating activities	\$ 753,980	\$ 128,714	\$ 882,694

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Intergovernmental	\$ 787,359	\$ 947,359	\$ 729,000	\$ (218,359)
Taxes	772,707	932,707	1,000,875	68,168
Total revenues	1,560,066	1,880,066	1,729,875	(150,191)
<u>EXPENDITURES</u>				
Capital outlay	2,109,592	9,538,500	5,875,905	3,662,595
Total expenditures	2,109,592	9,538,500	5,875,905	3,662,595
Excess (deficiency) of revenues over (under) expenditures	(549,526)	(7,658,434)	(4,146,030)	3,512,404
<u>OTHER FINANCING SOURCES</u>				
Proceeds from long term debt	-	5,500,000	5,500,000	-
Transfers in(out)	549,526	2,158,434	1,149,526	(1,008,908)
Total other financing sources	549,526	7,658,434	6,649,526	(1,008,908)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	2,503,496	<u>\$ 2,503,496</u>
Fund balance at beginning of year			1,860,248	
Fund balance at end of year			\$ 4,363,744	

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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 102-106)

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 107-115)

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

Debt Capacity (Pages 116-120)

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 121-123)

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 124-125)

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	\$ 83,516,093	\$ 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
Restricted	10,410,955	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
Unrestricted	(29,558,106)	(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
Total governmental activities net position	64,368,942	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
Business-type activities:										
Net investment in capital assets	18,958,384	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
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	9,277,452	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
Total business-type activities net position	28,235,836	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
Primary government:										
Net investment in capital assets	102,474,477	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
Restricted	10,410,955	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
Unrestricted	(20,280,654)	(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
Total primary government net position	\$ 92,604,778	\$ 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

MIDVALE CITY CORPORATION
Changes in Net Position
(Accrual Basis of Accounting)
Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 5,445,086	\$ 5,256,415	\$ 5,666,704	\$ 5,539,259	\$ 5,786,432	\$ 6,671,596	\$ 13,602,223	\$ 10,545,403	\$ 8,723,238	\$ 11,825,697
Public safety (1)	5,714,868	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
Highways and public improvements	3,277,687	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
Parks, recreation and public property	764,440	715,784	813,033	931,303	992,330	1,384,148	1,421,361	1,579,727	1,634,530	1,594,145
Redevelopment	373,800	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
Interest on long-term debt	1,988,776	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
Total government activities expense	17,564,657	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
Business-type activities:										
Water (2) (5)	4,996,524	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
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
Storm water	1,243,205	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
Sanitation	956,355	951,112	918,913	932,441	969,261	1,031,396	1,155,070	1,187,193	1,173,185	1,209,024
Telecommunications (3)	793,249	808,618	825,907	901,913	864,343	889,011	898,565	917,325	935,730	948,418
Ambulance (1)	-	-	-	-	-	-	-	-	-	-
Street lighting (4)	172,909	160,791	426,829	624,863	341,979	381,608	392,701	364,789	398,298	321,170
Equity investment income	(28,323)	(33,824)	(12,840)	-	-	-	-	-	-	-
Total business-type activities	8,133,919	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
Total primary government expenses	25,698,576	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
Program revenues										
Governmental activities:										
Charges for services										
General government	2,159,882	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
Public safety	2,440,536	1,357,735	1,633,011	1,030,311	748,505	922,257	958,288	843,406	701,178	844,694
Highways and public improvements	78,263	-	-	-	-	-	-	-	-	-
Parks, recreation and public property	40,200	60,625	67,300	61,950	42,450	24,600	27,150	22,040	20,340	34,790
Operating grants and contributions	810,028	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
Capital grants and contributions	1,828,838	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
Total governmental activities program revenues	7,357,747	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
Business-type activities:										
Charges for services										
Water (2) (5)	5,697,802	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
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
Storm water	809,535	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
Sanitation	975,855	999,327	1,010,970	924,037	954,956	956,399	1,050,989	1,151,382	1,283,140	1,309,536
Telecommunications (3)	15,429	15,816	33,421	17,230	21,390	27,264	20,256	20,786	21,259	16,607
Ambulance (1)	-	-	-	-	-	-	-	-	-	-
Street lighting (4)	112,609	242,776	248,654	372,896	381,529	381,507	384,828	390,487	402,078	407,830
Operating grants and contributions	95,120	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	7,706,350	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
Total primary government program revenues	\$ 15,064,097	\$ 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

MIDVALE CITY CORPORATION
Changes in Net Position (Continued)
(Accrual Basis of Accounting)
Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental activities	(10,206,910)	(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)
Business-type activities	(427,569)	(349,241)	(135,082)	(543,812)	(87,427)	207,054	30,461	(316,101)	414,647	2,062,981
Total primary government net (expense)/revenue	(10,634,479)	(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)
General revenues										
and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	3,255,513	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
Sales taxes	5,468,552	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
Telecomm and franchise taxes	2,641,707	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
Interest income	77,128	85,590	46,144	131,625	153,422	416,810	731,832	825,390	178,236	422
Gain on sale and disposal of assets	-	-	2,598	391,405	134,298	524,778	918,270	239,893	253,291	72,399
Miscellaneous	196,880	124,783	370,476	1,018,859	683,171	607,715	727,129	697,865	808,920	719,309
Developer contributions	-	-	-	-	-	4,542,000	-	-	-	-
Special item - tfr of public safety to other govt	-	-	-	-	-	-	-	-	-	-
Transfers - net	(963,213)	(741,300)	(917,100)	(920,600)	(824,900)	(850,000)	(850,000)	(815,000)	(705,586)	(820,369)
Total governmental activities	10,676,567	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
Business-type activities:										
Interest income	31,167	40,015	47,647	40,667	43,866	77,838	215,118	127,932	67,539	(4,231)
Equity investment (loss)	-	-	-	57,210	(20,549)	99,139	122,700	116,945	161,233	181,786
Capital contributions from other government	-	-	-	-	-	-	-	-	-	-
Transfers - net	963,213	741,300	917,100	920,600	824,900	850,000	850,000	815,000	705,586	820,369
Total business-type activities	994,380	781,315	964,747	1,018,477	848,217	1,026,977	1,187,818	1,059,877	934,358	997,924
Total primary government	11,670,947	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
Changes in Net Position										
Governmental activities	469,657	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
Business-type activities	566,811	432,074	829,665	474,665	760,790	1,234,031	1,218,279	743,776	1,349,005	3,060,905
Total primary government	\$ 1,036,468	\$ 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
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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for debt service	246,375	246,375	252,465	247,011	247,544	248,917	21	224	140	233
Restricted for B&C Road Funds	-	-	-	-	-	-	-	-	-	293,871
Assigned for sub. year approp.	-	-	-	-	-	-	-	326,577	-	-
Unassigned	2,718,289	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
Total General Fund	\$ 2,964,664	\$ 2,960,415	\$ 3,004,821	\$ 2,654,712	\$ 4,032,029	\$ 4,107,243	\$ 3,797,469	\$ 4,422,975	\$ 7,319,588	\$ 8,163,145
All Other Governmental Funds										
Nonspendable	\$ 150,130	\$ 150,130	\$ 150,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for capital projects	9,605,336	3,466,803	-	-	8,267,104	6,264,782	2,775,343	-	-	-
Restricted for redevelopment	512,928	32,305	387	5,348,949	140,597	23,442	-	5,050,212	9,247,340	1,212,912
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
Assigned for special revenue funds	911,341	951,388	2,109,836	2,705,141	2,160,877	2,638,920	4,366,777	48,137	56,312	11,622,862
Assigned for capital projects	1,677,626	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
Assigned for sub. year approp.	-	-	-	-	-	-	-	3,698,153	-	-
Total Other Governmental Funds	\$ 12,857,361	\$ 7,988,536	\$ 4,910,679	\$ 11,342,421	\$ 13,733,377	\$ 33,088,084	\$ 33,103,930	\$ 10,852,990	\$ 12,982,755	\$ 17,806,571
Total Governmental Funds										
Nonspendable	\$ 150,130	\$ 150,130	\$ 150,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	10,364,639	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
Assigned	2,588,967	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
Unassigned	2,718,289	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
Total Governmental Funds	\$ 15,822,025	\$ 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

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Taxes (1)	\$ 11,365,772	\$ 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
Licenses and permits	887,225	887,041	929,422	974,711	583,437	600,158	893,520	890,117	986,962	711,320
Intergovernmental	2,638,866	5,476,703	5,118,765	7,814,389	6,999,567	7,993,184	14,095,036	11,958,229	11,964,140	10,437,044
Charges for services	1,591,402	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
Fines and forfeitures	1,245,081	1,257,733	1,528,308	1,236,006	974,651	992,776	958,066	820,736	701,178	830,411
Interest income	70,770	78,952	46,144	131,625	153,422	416,810	731,832	825,390	178,236	422
Miscellaneous	196,880	138,886	370,476	1,018,859	683,172	607,719	727,129	697,866	808,920	719,309
Total Revenues	17,995,996	19,773,088	20,015,941	23,625,465	24,639,772	25,932,170	33,000,482	32,478,638	34,122,691	34,586,272
Expenditures:										
General government	3,371,860	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
Public safety (2)	5,635,904	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
Highways and public improvements	871,110	1,068,817	812,797	784,451	759,449	881,927	1,453,828	1,208,398	1,781,838	1,562,778
Parks, recreation, and public property	706,933	658,193	736,565	841,194	892,240	978,895	1,007,424	1,142,879	1,175,194	1,131,749
Redevelopment (3)	373,800	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
Community and economic development	1,132,468	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
Capital outlay - noncapitalized	457,688	31,591	446,139	12,420	1,690,088	1,296,156	7,141,163	3,612,289	1,769,117	5,454,922
Capital outlay - capitalized	2,260,847	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
Pledge pmt - interlocal guarantee agreement (4)	-	-	-	-	-	-	-	-	-	-
Debt service principal	1,340,000	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
Debt service interest	1,752,279	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
Bond issuance costs	217,950	2,000	-	257,080	145,321	228,693	131,530	-	-	4,550
Total Expenditures	18,120,839	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
Excess of revenue over (under) expenditures	(124,843)	(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
Other financing sources (uses):										
Proceeds from sale of assets	2,947,359	246,013	2,934,626	12,976	8,435	219,891	513,156	56,297	700	207
Proceeds from capital lease/note payable	-	-	-	-	-	-	-	-	-	-
Proceeds from bond issuance	8,990,000	-	-	12,961,000	9,146,632	20,255,623	8,657,528	-	2,163,893	5,500,000
Discount on bond issuance	(90,890)	-	-	-	-	-	-	-	-	-
Special item - public safety transfer (2)	-	-	-	-	-	-	-	-	-	-
Contribution from other government	-	-	-	-	-	-	-	-	-	-
Transfers in	5,076,001	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
Transfers out	(6,146,614)	(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)
Total other financing sources (uses)	10,775,856	(495,287)	1,803,826	12,045,476	8,382,067	19,625,514	8,320,684	(793,703)	990,993	4,579,838
Net change in Fund Balance	\$ 10,651,013	\$ (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
Debt service as a percentage of non-capital expenditures:	19.5%	19.1%	16.8%	18.9%	18.3%	21.6%	16.0%	50.6%	17.5%	15.8%
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". Property taxes reported 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) 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
2013 (1)	3,131,952	123,561	5,468,552	1,991,717	550,450	99,540	11,365,772
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

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, Midvale increased it's property tax rate.
- (4) In June 2019, Midvale started receiving additional sales tax revenue for transportation.

MIDVALE CITY CORPORATION

Assess 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%	0.000987
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%	0.001066

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 2022 is based upon the calendar year 2021 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

Calendar Year	City Direct Rate			Overlapping Rates - all Midvale taxing areas							Total Rate	Overlapping Rates - some Midvale taxing areas		
	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	Total Direct and Overlapping Rates	Mid Valley Improvement District (5)	Sandy Suburban Improvement District (6)	Cottonwood Improvement District (7)
2013	0.000658	-	0.000658	0.008111	0.002192	0.003342	0.000021	0.000446	0.000424	0.014536	0.015194	0.000945	0.001035	0.000236
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	0.000811	-	0.000811	0.006053	0.001322	0.002020	0.000009	0.000400	0.000319	0.010123	0.010934	0.000448	0.000448	0.000119

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 2022 is based upon the calendar year 2021 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 Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
FORT UNION SHOPPING CENTER LLC	103,242,040	1	2.99%			
PCCP JSP SPRINGS LLC	72,126,686	2	2.09%			
ZIONS BANCORPORATION, NA	71,541,600	3	2.07%			
ARBOR GARDNER BINGHAM JUNCTION OFFICE 5, LC; ET AL	69,593,600	4	2.02%			
JB1 HOLDINGS, LLC	69,502,510	5	2.02%			
SAN MORITZ APARTMENTS LLC	60,618,690	6	1.76%			
PEACE COLISEUM, LLC	59,995,600	7	1.74%			
FLSMIDTH USA, INC	49,103,200	8	1.42%			
TALAVERA AT THE JUNCTION, LLC	43,857,330	9	1.27%			
RIVER MEADOWS LLC	43,398,190	10	1.26%			
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>\$ 642,979,446</u>		<u>18.64%</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 Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 1,101,334	\$ 934,447	84.85%	\$ 38,983	\$ 973,430	88.39%
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%	46,097	2,628,147	99.53%
2019	2,676,171	2,608,154	97.46%	33,210	2,641,364	98.70%
2020	3,262,762	3,177,810	97.40%	33,957	3,211,766	98.44%
2021	3,395,649	3,282,048	96.65%	27,152	3,309,200	97.45%

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Retail sales										
Apparel/accessories	\$ 142,637	\$ 140,976	\$ 140,947	\$ 144,672	\$ 174,423	\$ 162,381	\$ 155,475	\$ 165,718	\$ 141,226	\$ 157,549
Auto sales and services	476,623	498,464	570,713	647,366	942,626	1,000,134	1,011,055	1,068,879	1,008,921	1,245,291
Bldg materials, hardware	355,521	467,259	410,886	360,367	441,842	434,463	439,993	573,948	888,130	778,896
Eating & drinking establishments	655,212	730,231	782,303	910,302	1,015,571	1,061,026	1,110,965	1,131,165	1,277,063	1,406,047
Groceries	756,369	791,644	816,004	854,755	905,885	849,487	845,742	881,657	891,626	926,342
General merchandise	510,475	506,733	488,733	497,656	504,178	526,831	528,494	541,790	565,920	634,984
Home furnishings/equipment	265,166	286,501	346,166	383,493	385,372	324,795	215,003	191,349	160,646	217,795
Miscellaneous retail	929,551	965,856	964,588	1,009,948	1,012,853	1,005,730	953,684	910,693	1,126,587	1,171,024
Total retail	4,091,554	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
Other										
Wholesale trade	689,570	749,354	729,746	722,490	799,404	759,449	1,038,996	1,096,832	1,207,647	1,537,373
Services	615,503	659,199	685,306	684,684	903,143	894,916	991,967	1,014,423	944,726	1,283,438
Utility/communication	504,128	525,515	538,699	558,343	584,132	583,360	547,936	512,938	511,468	564,631
Manufacturing	215,432	201,939	226,271	201,273	210,250	233,724	247,118	288,754	339,305	368,153
Miscellaneous other	165,744	304,964	393,035	253,139	238,452	333,220	421,501	773,858	1,429,447	1,530,962
Total other	2,190,377	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
Grand Total	\$ 6,281,931	\$ 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
<p>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</p> <p>Source: Utah State Tax Commission Midvale City - Sales Tax by category - June 2022</p>										

MIDVALE CITY CORPORATION
Total Sales Tax Revenue
Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Midvale City Point of Sale revenue	\$ 6,281,931	\$ 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
Less 50% of Point of sale	(3,140,968)	(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)
plus portion of statewide pool	2,397,638	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
Total distribution	5,538,601	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
Admin fee and other deductions	(70,052)	(82,556)	(92,211)	(108,304)	(100,318)	(83,176)	(73,852)	(86,263)	(79,427)	(93,144)
Net distribution	\$ 5,468,549	\$ 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
Point of sale revenue lost to statewide pool	\$ 743,330	\$ 815,410	\$ 779,686	\$ 656,958	\$ 888,978	\$ 704,322	\$ 745,419	\$ 896,910	\$ 829,241	\$ 548,332
<i>Source: Utah State Tax Commission</i> <i>Midvale City - Sales Tax by category - June 2022</i>										

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

Year	Midvale City Direct Rate	State of Utah	Salt Lake County	County Option Transportation	Mass Transit	Transportation Infrastructure	Botanical, Cultural, Zoo (ZAP)	Total Sales Tax Rate
2013	1.00%	4.70%	0.25%	0.25%	0.55%		0.10%	6.85%
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%

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Culinary water	\$ 4,170,018	\$ 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
Sewer	1,149,418	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
Storm water	797,642	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
Street Lighting	112,605	239,401	245,793	371,086	379,598	379,360	382,474	389,100	399,760	404,891
Sanitation	963,334	982,645	995,788	906,863	932,126	931,339	1,025,598	1,132,844	1,252,012	1,275,598
Telecommunications	15,339	15,683	15,291	17,121	21,288	27,193	20,186	20,732	21,060	16,194
Total	\$ 7,208,356	\$ 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

MIDVALE CITY CORPORATION
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Government Activities								Business-type Activities			Total Primary Government	Percentage of personal income	Per Capita
	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			
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	-	-	21,524,968	125,737	-	74,765,862	8.37%	2,075
2022	-	-	6,828,794	35,180,578	5,607,905	7,465,175	-	-	19,959,984	111,601	-	75,154,037	7.24%	2,091

*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
2013	2,454,709	2,284,182,496	0.11%	30,245	81
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	-

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

Midvale City
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

Governmental Unit (Jurisdiction)	Outstanding debt	Estimated Percentage Applicable to Midvale City	Amount Applicable to Midvale City
Direct:			
Midvale City Corporation	\$ 14,293,969	100.0%	\$ 14,293,969.0
Redevelopment Agency of Midvale City	35,180,578	100.0%	35,180,578
Midvale City Municipal Building Authority	5,607,905	100.0%	5,607,905
Total Direct Debt			55,082,452
Overlapping:			
Canyons School District	433,430,000	11.70%	50,711,310
Central Utah Water Conservancy District	161,310,372	1.60%	2,580,966
Salt Lake County	133,245,000	2.40%	3,197,880
Sandy Suburban Improvement District	3,898,000	1.80%	70,164
Total Overlapping Debt			56,560,320
Total Direct and Overlapping Debt			<u>\$ 111,642,772</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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit										
General - 4%	\$ 91,367,300	\$ 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
Water and Sewer - 8%	182,734,600	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
Net debt applicable to limit	(2,415,000)	(2,115,000)	(1,800,000)	(1,470,000)	(1,130,000)	(770,000)	(395,000)	-	-	-
Additional Debt Incurring Capacity	\$ 271,686,900	\$ 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
Total net debt applicable to the limit as a percentage of debt limit	0.88%	0.73%	0.56%	0.43%	0.29%	0.18%	0.08%	0.00%	0.00%	0.00%
Legal Debt Margin Calculation for Fiscal Year 2022										
Estimated fair market value as of 12/31/2021	\$ 5,077,957,670									
Legal debt margin										
Debt limitation available for general purposes - 4%	203,118,307									
Water and Sewer - 8%	406,236,614									
Total General Obligation debt outstanding	-									
Additional Debt Incurring Capacity	\$ 609,354,920									
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
2013	5,468,552	2,073,445	7,541,997	2,243,724	3.36	2,503,899	n/a	2,503,899	1,569,745	1.60	828,838	321,100	2.58
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	1.31	793,079	321,500	2.47
2015	6,221,500	3,185,596	9,407,096	2,255,860	4.17	1,954,426	667,351	2,621,777	1,841,478	1.42	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	1.26	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	1.44	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	1.66	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	1.33	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	1.14	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	1.62	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	1.68	1,326,959	-	N/A
Required coverage					1.25						1.25	2.00	
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)
2012	28,621	553,047,343	19,323	5.5
2013	30,245	576,446,464	19,059	4.7
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

Sources:

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

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

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

[/LAUCN4903500000000003?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true](https://data.bls.gov/timeseries/LAUCN4903500000000003?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true)

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
CHG COMPANIES, INC.	500-999	4.5%	THE CANYONS SCHOOL DISTRICT	500-999	6.0%
IHC SUPPLY CHAIN CENTER	500-999	4.5%	FL SMIDTH DORR-OLIVER EIMCO INC	500-999	6.0%
OVERSTOCK COM INC	500-999	4.5%	EDWARDS LIFESCIENCES LLC	250-499	3.0%
CUPERTINO ELECTRIC INC	250-499	2.3%	WAL-MART ASSOCIATES, INC.	250-499	3.0%
FLSMIDTH INC.	250-499	2.3%	STAKER & PARSON COMPANIES	250-499	3.0%
SAVAGE SERVICES	250-499	2.3%	UTAH TRANSIT AUTHORITY	100-249	1.5%
TOPGOLF PAYROLL SERVICES, LLC	250-499	2.3%	APEX STAFFING, LLC	100-249	1.5%
ARTHUR J GALLAGHER SERVICE COMPANY	100-249	1.1%	EXPRESS SERVICES, INC.	100-249	1.5%
CHG MEDICAL STAFFING, INC.	100-249	1.1%	SPORTS WAREHOUSE	100-249	1.5%
EREPLACEMENTPARTS.COM	100-249	1.1%	RSI-RESIDENTIAL SERVICES INC	100-249	1.5%
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 ELEMENTARY	100-249	1.1%			
MIDVALE MIDDLE	100-249	1.1%			
MOLINA HEALTHCARE OF UTAH INC	100-249	1.1%			
MOLINA HEALTHCARE, INC.	100-249	1.1%			
PREMIER GROUP STAFFING LLC	100-249	1.1%			
PRO UNLIMITED INC	100-249	1.1%			
PROGRESSIVE CASUALTY INS CO	100-249	1.1%			
QES, INC	100-249	1.1%			
QWEST CORP	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%			
WAL MART	100-249	1.1%			
WINCO FOODS	100-249	1.1%			
ZAGG INC	100-249	1.1%			
Midvale City total labor force		22,060			16,674
Sources:					
https://jobs.utah.gov/jsp/firmfind/#/download					

MIDVALE CITY CORPORATION
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government											
Legislative	2.5	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	0.5	0.5	1.0	1.0	1.0	1.0
Administrative	1.0	1.0	1.0	1.0	1.0	2.0	3.0	3.0	3.0	4.0	4.0
Emergency Management			1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Attorney	4.0	4.0			3.0	3.0	4.0	4.0	4.0	3.0	3.0
Finance	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Utility Billing	2.0	2.0	2.0	2.0	2.5	2.0	2.0	2.0	2.0	4.0	4.0
Recorder	1.5	1.5	1.5	1.5	1.5	1.5	2.0	1.5	1.5	2.5	2.5
Human Resources	1.5	1.5	1.5	1.5	1.5	1.5	2.0	1.5	1.5	1.5	1.5
Justice Court	9.0	10.0	9.0	9.5	9.0	7.5	8.5	9.0	8.5	8.5	8.5
Information Technology	2.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	6.0
Total General Government	28.5	29.5	26.0	26.5	29.5	27.5	31.5	31.5	31.0	35.0	37.0
Community Development											
Administrative	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	1.5	3.0
Business Licensing	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5
Economic Development	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Planning and Zoning	2.0	2.0	2.5	2.5	2.0	2.0	3.0	3.0	3.0	3.0	3.0
Building	3.0	3.0	3.0	3.0	4.0	3.0	4.0	4.0	4.0	1.0	0.0
Code Enforcement	2.0	2.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	0.0	0.0
Engineering	3.0	3.0	3.0	3.0	4.0	4.0	6.0	6.0	6.0	8.0	6.0
Redevelopment Agency	1.0	1.0	2.0	2.0	2.0	3.0	4.0	4.0	4.0	3.5	3.5
Total Community Development	15.0	15.0	15.5	16.5	18.0	18.0	23.0	23.0	24.0	19.0	18.0
Public Works											
Administrative	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.5	3.0	4.0
Facilities Maintenance	1.0	1.0	1.0	1.0	2.0	1.0	2.0	4.0	4.0	3.0	3.0
Parks/cemetery	2.0	2.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	4.0	3.0
Fleet	1.0	1.0	1.0	1.0	1.5	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	8.0	8.0	10.0	10.0	10.0	10.0
Water/Sewer	8.0	9.0	9.0	9.0	10.0	11.0	11.0	11.0	11.0	13.0	12.0
Total Public Works	22.0	23.0	22.0	22.0	24.5	26.0	28.0	32.0	32.5	35.0	34.0
Public Safety											
Crossing Guards	0.0	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	0.0
Fire	0.0	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	0.0
Total full-time equivalent employees	65.5	67.5	63.5	65.0	72.0	71.5	82.5	86.5	87.5	89.0	89.0

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
General Government										
Residential Building permits issued	138	226	178	89	48	94	137	12	39	56
Number of units (1)	162	433	385	229	115	115	657	450	181	283
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
Water										
Residential water connections	5,705	5,885	5,995	6,056	6,075	6,100	6,100	6,540	6,574	6,552
Non-residential water connections	1,086	1,180	1,147	1,225	1,300	1,304	1,297	1,358	1,405	1,429
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
Billed consumption per capita (thousand gallons)	55	49	47	52	50	50	46	55	56	47
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
Purchased from Sandy City (thousand gallons)	709,417	640,987	624,264	642,691	620,474	626,296	315,372	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
Percent purchased	46%	46%	46%	41%	40%	42%	43%	61%	53%	54%
Sewer										
Residential sewer connections	2,099	2,297	2,307	2,348	2,362	2,385	2,381	2,371	2,373	2,373
Non-residential sewer connections	579	492	559	591	604	601	603	616	627	644
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
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
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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public works										
Streets (miles)	70	70	70	70	70	70	70	70	92	95
Streetlight poles		1,021	1,372	1,372	1,381	1,384	1,384	1,384	1,568	1,112
Parks and recreation										
Developed park acreage	24	24	71	78	78	78	78	78	82	82
Undeveloped park acreage	15.7	15.7	5.7	2.78	2.78	2.78	2.78	2.78	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	97.4	97.4	97.4	97.7	98.1	98.1	112.0	131.2	139.2
Maximum daily capacity (million gallons)	8.8	8.8	8.8	9.6	9.7	9.8	9.8	9.8	10.0	10
Storage capacity (million gallons)	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	7
Wells	5	5	5	5	5	5	5	5	5	4
Sewer										
Sewer lines (miles)	44	45	45	45	45	46	46	46	43	48

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

Source: Midvale City Corporation

INTERNAL CONTROLS AND COMPLIANCE REPORTS





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

The Honorable Mayor and
Members of the City Council
Midvale City, UT

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 Midvale City (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Midvale City's basic financial statements and have issued our report thereon dated December 19, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Midvale City's internal control over financial reporting (internal control) to determine the 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 Midvale City's internal control. Accordingly, we do not express an opinion on the effectiveness of Midvale 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Midvale 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 determination of financial statement amounts. 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*.

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.

Larson & Company, PC

Larson & Company, PC
Spanish Fork, Utah
December 19, 2022

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

The Honorable Mayor and
Members of the City Council
Midvale City, UT

Report on Compliance with General State Compliance Requirements

We have audited Midvale City's compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor that could have a direct and material effect on Midvale City for the year ended June 30, 2022.

State compliance requirements were tested for the year ended June 30, 2022 in the following areas:

Budgetary Compliance
Justice Court
Fraud Risk Assessment

Fund Balance
Restricted Taxes and Other Related Restricted Revenue
Governmental Fees

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Compliance

In our opinion, Midvale City complied, in all material respects, with the compliance requirements referred to above for the year ended June 30, 2022.

Other Matters

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

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REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

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

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

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
December 19, 2022



Midvale City

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