

**CITY OF NORTH SALT LAKE
NORTH SALT LAKE CITY, UTAH**



ANNUAL COMPREHESIVE FINANCIAL REPORT

For The Fiscal Year Ended June 30th, 2024

Together with Independent Auditor's Report

Prepared by:
City of North Salt Lake
Finance Department

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of
the City of North Salt Lake

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 the City of North Salt Lake as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of North Salt Lake's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of North Salt Lake, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of North Salt Lake's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of North Salt Lake's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of North Salt Lake's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2024, on our consideration of the City of North Salt Lake’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of North Salt Lake’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of North Salt Lake’s internal control over financial reporting and compliance.

Child Richards CPAs & Advisors

Ogden, Utah
December 24, 2024

CITY OF NORTH SALT LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2024

Financial Highlights

- The assets of the City of North Salt Lake exceeded its liabilities at June 30, 2024 by \$132,392,105. Of this amount, the unrestricted net position of \$24,539,429 may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's overall net position increased by \$5,006,086 from the prior year. Business-type activities increased net position by \$952,702 while governmental activities had an increase in net position of \$4,053,384.
- As of the close of the fiscal year, the City of North Salt Lake's governmental funds reported a combined ending fund balance of \$44,984,576, an increase of \$494,832 over the prior year. Of the total fund balance, \$4,488,079 is unassigned and available for spending. The remaining \$40,496,497 is either nonspendable in form, has been legally restricted by parties outside the financial reporting entity, or has been assigned to specific uses.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$4,575,943 or 33.82% of total General Fund expenditures.
- The City of North Salt Lake's long-term debt obligations decreased by \$884,851. The decrease is attributable to new debt issuances of \$649,312 combined with principal payments made on existing debt. Compensated absences had a net increase of \$95,843.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of North Salt Lake's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the Basic Financial Statements, this report also contains the required supplementary information, additional supplementary information and fund data (including combining statements for non-major funds).

Government-wide financial statements. The Statement of Net Position and the Statement of Activities, which immediately follow this MD&A, comprise the government-wide financial statements. These statements provide a broad overview with a long-term focus of the City's finances as a whole and are prepared using the full-accrual basis of accounting, similar to private-sector companies. This means all revenues and expenses are recognized regardless of when cash is received or spent, and all assets, liabilities, and deferred inflows/outflows of resources, including capital assets and long-term debt, are reported at the entity level.

The *statement of net position* presents financial 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 and decreases in net position may serve as a useful indicator of whether the City's overall financial condition is getting better or worse. In evaluating the government's overall condition, however, additional non-financial factors should be considered such as the City's economic outlook, changes in its demographics, and the condition of its capital assets and infrastructure.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in a future fiscal period.

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).

CITY OF NORTH SALT LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2024

Overview of the Financial Statements (Continued)

Government-wide financial statements (continued). The governmental activities of the City of North Salt Lake include general government, public safety, highways and streets, planning and engineering, parks, recreation, and redevelopment. The business-type activities of the City include water, pressurized irrigation, storm water, solid waste, golf, and fleet.

The government-wide financial statements include not only the City of North Salt Lake itself (known as the primary government), but also a legally separate Redevelopment Agency which is a component unit of the City. Financial information for this component unit is reported entirely within the primary government report.

Fund financial statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of North Salt Lake can be divided into either a governmental or proprietary funds.

Governmental funds. These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances include reconciliations to provide a comparison between the two.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental funds balance sheet and governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Redevelopment Agency Funds, Debt Service-Rap Tax Fund, Capital Projects Fund, and Road Development fund, which are considered major funds. Data from the remaining funds, not meeting the definition of a major fund, are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplemental section of this report.

The City of North Salt Lake adopts a one-year budget for its governmental funds, identifying operating expenditures and non-operating expenditures. A budgetary comparison statement has been provided for the aforementioned funds to demonstrate compliance with the fiscal year 2024 budget.

Proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary funds are presented using the full-accrual basis of accounting. The City uses a type of proprietary fund, called an enterprise fund, to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains four individual enterprise funds. Information is presented separately in the proprietary funds statement of net position and the proprietary funds statement of revenues, expenses and changes in net position for the following major funds: Water, Storm Water, Solid Waste, and Golf.

Internal service funds are used to account for the financing and operation of services provided by one department to other departments within the City. The city maintains an internal service fund for fleet management. Because the fleet fund predominantly benefits governmental rather than business-type activities, it is included with governmental activities in the government-wide statements.

Notes to 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 apply to both the government-wide financial statements and the fund financial statements and begin on page 28.

**CITY OF NORTH SALT LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2024**

Overview of the Financial Statements (Continued)

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. The combining statements referred to earlier, in connection with nonmajor funds, are presented immediately after the basic financial statements. Also included are budget comparisons for major governmental funds including the General, Redevelopment Agency, Debt Service – Rap Tax, Capital Projects and Road Development Funds.

Government-wide Financial Analysis

As noted earlier, net position is an indicator of a government's overall financial position, including current resources, liabilities and investment in assets. For fiscal year 2024, the assets and deferred outflows exceeded liabilities and deferred inflows by \$132,392,105.

The largest portion of the City's net position totals \$94,267,355 (71.2%) which reflects investments in capital assets, including land, buildings, infrastructure, machinery, and equipment, less any outstanding debt used to acquire those assets. This is an increase of \$2,771,557, and is primarily related to governmental activities (parks, trails, and road projects). Capital assets are used to provide services to citizens; therefore, they are not available for future spending. Although the City's investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

City of North Salt Lake's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 53,616,898	\$ 53,478,848	\$ 6,483,051	\$ 5,845,120	\$ 60,099,949	\$ 59,323,968
Capital assets	67,940,172	65,713,149	40,640,359	40,330,624	108,580,531	106,043,773
Total assets	<u>121,557,070</u>	<u>119,191,997</u>	<u>47,123,409</u>	<u>46,175,744</u>	<u>168,680,479</u>	<u>165,367,741</u>
Deferred outflows of resources	1,728,936	1,233,260	518,914	434,857	2,247,850	1,668,117
Total Deferred outflows	<u>1,728,936</u>	<u>1,233,260</u>	<u>518,914</u>	<u>434,857</u>	<u>2,247,850</u>	<u>1,668,117</u>
Other liabilities	4,639,425	2,697,443	885,015	1,042,325	5,524,440	3,739,768
Long-term liabilities outstanding	22,252,488	22,997,480	7,698,799	7,282,178	29,951,287	30,279,658
Total liabilities	<u>26,891,913</u>	<u>25,694,923</u>	<u>8,583,814</u>	<u>8,324,503</u>	<u>35,475,727</u>	<u>34,019,427</u>
Deferred inflows of resources	3,056,664	5,446,289	3,833	184,124	3,060,497	5,630,413
Total Deferred inflows	<u>3,056,664</u>	<u>5,446,289</u>	<u>3,833</u>	<u>184,124</u>	<u>3,060,497</u>	<u>5,630,413</u>
Net Position:						
Net investment in capital assets	63,612,809	60,667,128	30,654,546	30,828,670	94,267,355	91,495,798
Restricted	11,746,917	10,198,802	1,838,404	2,207,174	13,585,321	12,405,976
Unrestricted	17,977,702	18,418,115	6,561,726	5,066,130	24,539,429	23,484,245
Total Net Position	<u>\$ 93,337,429</u>	<u>\$ 89,284,045</u>	<u>\$ 39,054,676</u>	<u>\$ 38,101,974</u>	<u>\$ 132,392,105</u>	<u>\$ 127,386,019</u>

An additional portion of the net position, \$13,585,321 (10.26%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$24,539,429 (18.54%), may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the fiscal year, the city is able to report positive balances in all reported categories of net position both for the government as a whole, as well as for its separate governmental and business-type activities.

**CITY OF NORTH SALT LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2024**

Government-wide Financial Analysis (Continued)

The City's overall net position increased \$5,006,086 (3.93%) from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

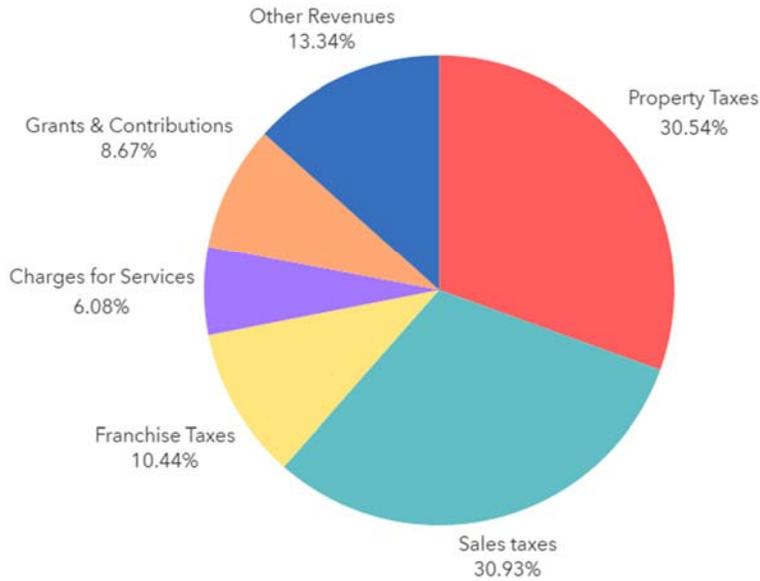
City of North Salt Lake's Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 1,295,386	\$ 1,235,610	\$ 11,412,359	\$ 8,899,818	\$ 12,707,745	\$ 10,135,428
Operating grants and contributions	1,603,284	1,552,313	-	-	1,603,284	1,552,313
Capital grants and contributions	245,481	1,752,889	143,647	64,277	389,128	1,817,166
General revenues:						
Property taxes	6,506,170	6,313,541	-	-	6,506,170	6,313,541
Other taxes	8,815,338	9,050,940	-	-	8,815,338	9,050,940
Other	2,843,851	1,598,707	341,948	32,577	3,185,799	1,631,284
Total revenues	<u>21,309,510</u>	<u>21,504,000</u>	<u>11,897,954</u>	<u>8,996,672</u>	<u>33,207,464</u>	<u>30,500,672</u>
Expenses:						
General government	2,164,436	2,096,239	-	-	2,164,436	2,096,239
Public safety	7,187,646	6,940,989	-	-	7,187,646	6,940,989
Highways and public works	3,272,749	3,293,483	-	-	3,272,749	3,293,483
Community development	2,099,258	1,938,707	-	-	2,099,258	1,938,707
Parks, recreation, and public property	1,678,297	1,320,814	-	-	1,678,297	1,320,814
Redevelopment	-	-	-	-	-	-
Interest on long-term debt	853,740	534,059	-	-	853,740	534,059
Water	-	-	4,988,332	4,825,254	4,988,332	4,825,254
Pressurized irrigation	-	-	-	527,348	-	527,348
Storm water	-	-	1,073,618	916,895	1,073,618	916,895
Solid waste	-	-	1,538,530	1,498,636	1,538,530	1,498,636
Golf course	-	-	3,344,772	2,451,923	3,344,772	2,451,923
Total expenses	<u>17,256,126</u>	<u>16,124,291</u>	<u>10,945,252</u>	<u>10,220,056</u>	<u>28,201,378</u>	<u>26,344,347</u>
Increase (Decrease) in Net Position	4,053,384	5,379,709	952,702	(1,223,384)	5,006,086	4,156,325
Net Position - beginning of year	<u>89,284,045</u>	<u>83,904,336</u>	<u>38,101,974</u>	<u>39,325,358</u>	<u>127,386,019</u>	<u>123,229,694</u>
Net Position - end of year	<u>\$ 93,337,429</u>	<u>\$ 89,284,045</u>	<u>\$ 39,054,676</u>	<u>\$ 38,101,974</u>	<u>\$ 132,392,105</u>	<u>\$ 127,386,019</u>

**CITY OF NORTH SALT LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2024**

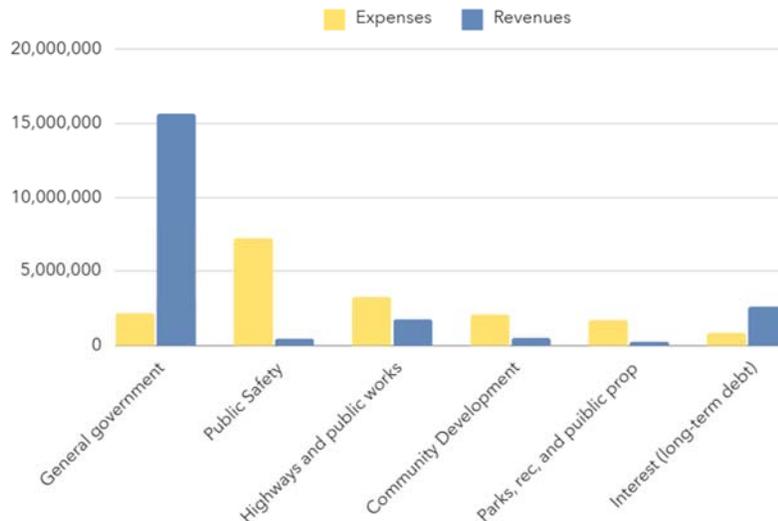
Government-wide Financial Analysis (Continued)

Governmental activities. Governmental activities increased the net position of the City by \$4,053,384 (4.54%). Comparison of total revenues and total expenditures to fiscal year 2023 shows a decrease in revenues from governmental activities of \$194,490, while total expenses increased by \$1,131,835. A decrease in collections of other taxes of \$235,602 contributed to the revenue decline, while expenditure increases are attributed to trail development projects, interest on debt related to the Hatch Park expansion, economic development developer contributions, and public safety.

**REVENUES BY SOURCE -
GOVERNMENTAL ACTIVITIES**



**EXPENSES AND CHARGE FOR SERVICE REVENUES -
GOVERNMENTAL ACTIVITIES**



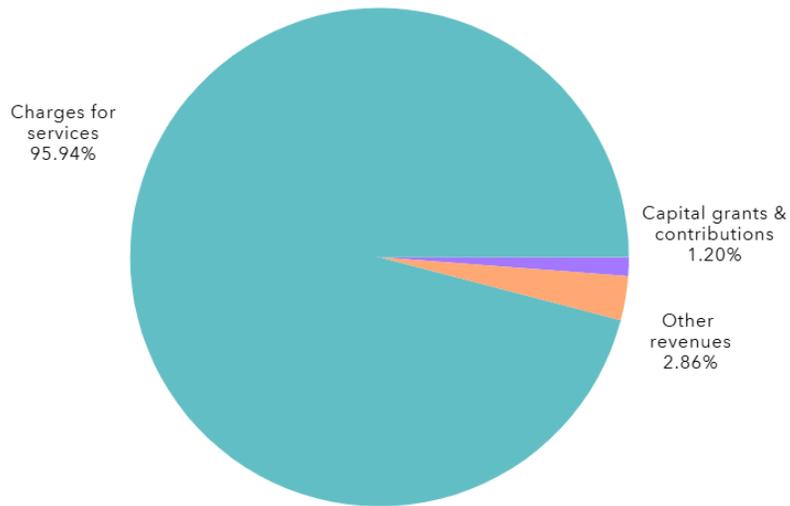
**CITY OF NORTH SALT LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2024**

Government-wide Financial Analysis (Continued)

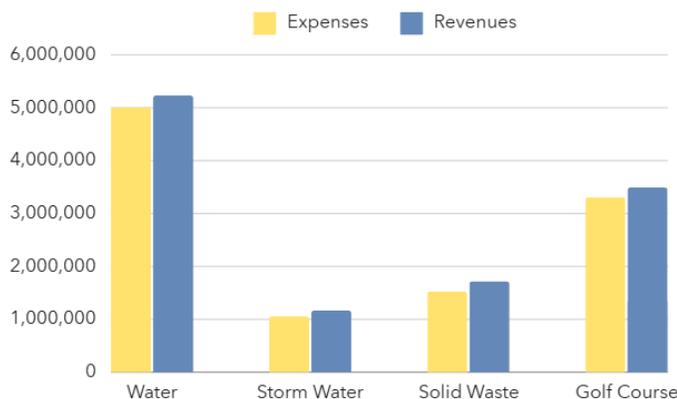
Business-type activities. Business-type activities increased the City's net position by \$952,702 or 2.5%. As indicated by the data in the table on page 7, the change in the City's net position from business activities this year was an increase of \$2,176,086 between the current and the previous fiscal years. In comparison to the previous fiscal year, revenues from all business-type activities increased by \$2,901,282, while expenses from all business-type activities increased by \$725,196.

The graphs presented below reflect only regular operating revenues and expenses from business-type activities and not the effects of special one-time items or transfers.

**REVENUES BY SOURCE -
BUSINESS-TYPE ACTIVITIES**



**EXPENSES AND CHARGE FOR SERVICE REVENUES -
BUSINESS-TYPE ACTIVITIES**



CITY OF NORTH SALT LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2024

Financial Analysis of the Government's Funds (Continued)

Governmental funds. The purpose of these funds 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, committed, assigned and unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the City's governmental funds reported combined ending fund balance of \$44,984,576, an increase of \$494,832 from the prior fiscal year. Of this amount, \$4,488,079 (9.98%) is available for spending at the government's discretion. The remaining \$40,496,497 of fund balance is not available for new spending because it is non-spendable in form, specifically prepaid expenses of \$90,383 and legally restricted by parties outside the financial reporting entity for 1) impact fees totaling \$3,199,179, 2) Class C and transportation tax eligible road projects of \$1,631,764, 3) capital projects of \$21,480,145, 4) local building authority uses of \$77,965, and 5) low-income housing uses of \$896,864. An additional \$13,120,197 is assigned to specific fund purposes.

General Fund - The General Fund is the City's chief operating fund. At the end of the fiscal year, the unassigned fund balance of the General Fund was \$4,575,943. As a measure of the General Fund's liquidity, it may be useful to compare this amount to total fund expenditures of \$13,531,429 (33.82%). The fund balance of the City's General Fund decreased \$95,412 from activities during the current fiscal year, representing a 2% change in fund balance.

Total revenues in the general fund decreased by \$2,599,454 while expenditures increased by \$692,634. The General Fund had a net transfer out of \$375,638 in the current year while last year it had a net transfer out of \$3,195,827. The change from prior year is related to a change in recognition of Class C road funds and transportation tax directly in to the Road Development Fund rather than the General Fund (as in previous years), as well as no transfer being made to the Capital Projects Fund.

Changes in revenue are primarily attributed to the following decreases: sales tax revenues (\$115,595), franchise tax revenues (\$120,007), and intergovernmental revenues (\$2,671,976), with the decline in intergovernmental revenues attributed to the conclusion of federal contributions of COVID relief funding as well as the change in revenue recognition of Class C road funds and transportation tax revenues discussed above. Alternatively, fines and forfeitures, interest, and miscellaneous revenues were up \$59,200, \$157,943, and \$114,722, respectively.

The principal changes in general fund expenditures are related to an increase in public safety (police and fire) expenditures of \$292,346, an increase in parks expenditures of \$197,362, and an increase in general government expenditures of \$141,471.

Redevelopment Agency Fund(s) – These funds have a combined total fund balance of \$6,416,272, of which \$3,657,579 is restricted for the Foxboro Wetlands park project, and \$2,758,693 is assigned to future debt service payments. There was a net increase in fund balance of \$627,847, which consisted of tax increment collections of \$2,690,607 plus interest income of \$318,570, less developer contributions totaling \$1,169,804, debt service payments on the Foxboro Wetlands park project of \$373,750, and transfers to the General fund and Housing fund of \$330,918. In addition, the Redwood Road project area contributed \$460,000 to offset the annual debt service payments on the Hatch Park expansion project. Additional information related to the specific project area activity may be found in Note 13.

Debt Service Fund – Rap Tax Fund – This fund has a total fund balance of \$17,075,404, of which \$17,163,268 is restricted for parks capital improvements. Year over year fund balance decreased by \$353,317 as RAP tax revenues fell short of projections and transfers in for debt service coverage were \$240,000 less than the prior year. The ending result was a negative unrestricted cash balance of \$193,771, which will be remedied in fiscal year 2025 with the use of park impact fees and additional contributions of tax increment from the Redwood Road project area.

Capital Projects Fund - This fund has a total fund balance of \$8,662,234, all of which has been assigned to finance future capital projects within the City. This fund accounts for the financial resources to be used for the acquisition or construction of the major capital facilities and equipment of the City other than those financed by proprietary and special revenue funds. During the year ended June 30, 2024, the fund balance in the capital projects fund increased by \$187,319 compared to last

CITY OF NORTH SALT LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2024

Financial Analysis of the Government's Funds (Continued)

Capital Projects Fund (Continued)

year's increase of \$1,378,817. The increase in the City's capital projects fund balance is primarily a result of interest earnings on fund balance, while the large increase from the prior year is related to transfers in from the general fund.

Road Development Fund – This fund has a total fund balance of \$5,989,098, of which \$3,048,662 is restricted for impact fee related road projects and \$1,631,764 is restricted for the construction of eligible Class C Road and Transportation Tax projects. The remaining \$1,308,672 is assigned for road development projects. The net decrease in fund balance during the current fiscal year was \$13,091 compared to last year's increase of \$294,706. The net change in fund balance consisted of impact fee revenue in the amount of \$28,279, intergovernmental revenues of \$1,617,645, interest revenues of \$417,632, offset by investment in highway and public improvement projects of \$2,628,301. Comparatively, \$2,441,228 was spent on highway and public improvement projects in the prior fiscal year.

Proprietary funds. At June 30, 2024, the City's proprietary funds reported combined ending net position of \$39,054,676, an increase of \$952,702 over the prior year. The unrestricted portion of proprietary fund net position has a balance of \$6,561,726. The remaining \$32,492,950 of net position is not available for new spending because it is invested in capital assets totaling \$30,654,546, or legally restricted by parties outside the financial reporting entity for debt service totaling \$72,261, capital investment of \$1,146,972, and impact fees totaling \$619,171.

Water Fund and Pressurized Irrigation Fund – These funds were combined in fiscal year 2024 to better reflect the shared use of resources and assets. The newly consolidated water fund began the fiscal year with a combined net position of \$27,570,692 of which \$21,900,720 was attributed to water and \$5,669,972 was attributed to pressurized irrigation. At the close of the fiscal year, total net position increased to \$28,018,229, an increase of \$447,537. The increase in fund balance was related to a \$1,038,286 increase in metered sales, which was the result of a 10% increase in user fees and a return to pre-drought culinary and irrigation water consumption. Expenditures related to salaries and benefits, office supplies, power, and water purchases increased, while spending on supplies and equipment decreased, with a net decrease in expenditures of \$363,131 for the year.

Pressurized Irrigation Fund - This fund was combined with the water fund in fiscal year 2024.

Storm Water - This fund has a total net position of \$8,101,024. During the year ended June 30, 2024, the storm water fund's net position increased \$159,401 compared to a prior year increase of \$94,066. User fee revenues increased by \$169,465 from the prior year, which is reflective of the rate increases that have taken effect to support an expanded capital infrastructure plan. Operating expenditures of \$1,069,065 increased by \$156,900 from the prior year, which is attributed to a decrease in equipment expenditure and an increase in professional services.

Solid Waste – The solid waste fund records revenues and expenditures related to recycling and waste removal services, with the majority of the service contracted to an outside service provider. This fund has a total net position of \$631,367, increasing by \$202,284 from the previous year. Operating revenues increased by \$171,979 from the prior year, which was the result of scheduled fee increases and acquiring additional customers through annexation. Fund expenditures increased modestly by \$39,894. Due to the overall health of the fund, rates were not increased in fiscal year 2025 and the City anticipates no growth in fund balance in the new fiscal year.

Golf Fund - This fund has a total net position of \$2,304,056 which increased by \$143,480, compared to a decrease of \$228,570 in the prior year. The fund experienced a net operating gain in the amount of \$338,287 compared to an operating loss in the prior year of \$15,209. Overall revenues at the course increased in all areas, including admissions (\$357,277), equipment and facility rentals (\$228,978), and concessions and merchandise sales (\$536,281). Similarly, operating expenditures intended to support these services increases by \$769,040.

Fiscal year 2024 was also notable in that it was the first full year of the golf course operating the entire café, event space, and event catering in-house as opposed to contracting with an outside service provider. The golf course employed several new full-time and part-time positions to meet the demands related to providing the new services. Bringing these amenities in-house rather than contracting with an outside provider resulted in approximately \$269,600 in operating income in the year.

CITY OF NORTH SALT LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2024

Budgetary Highlights

The City Council held several budget amendment hearings throughout the fiscal year. Hearings to receive public input on proposed amendments were held on September 19, 2023, December 6, 2023, March 19, 2024, and June 18, 2024. Impact fee collections continued to fall below projections throughout the fiscal year due to stalled development projects, resulting in moderate reductions to impact fee revenues. While minor changes were made to operating expenditures, a summary of the more significant changes by fund is included below:

General Fund

- Increase in budgeted revenues for Liberty Fest, grants, interest earnings, and fines and forfeitures - \$277,000
- Decrease in development revenues - \$234,000
- Increase in Liberty Fest expenditures - \$75,000
- Increase in contracted services for HVAC, IT, and street striping - \$150,000
- Increases related to machinery and equipment purchases - \$67,875

Redevelopment Agency Funds

- Increase in tax increment revenues - \$97,000
- Increase in interest earnings - \$266,000
- Increase in developer payments/commitments - \$151,600

Debt Service Fund

- Increase in transfers in and interest earnings - \$645,000

Capital Projects Fund

- Increase in interest earnings - \$300,000
- Increase in transfers out - \$30,000

Park Development Fund

- Reduction in impact fee revenue - \$54,400
- Increase in contributions and interest earnings - \$168,250
- Increase for capital projects - \$376,500

Roads Capital Funds

- Reduction in impact fee revenue - \$44,000
- Increase in interest earnings - \$286,500
- Decrease in capital projects (change in scope) - \$1,385,00040

Water Fund

- Reduction in impact fee revenue - \$148,000
- Increase in interest earnings - \$24,000
- Reduction in scope for 400 W Waterline reconstruction project - \$1,857,670
- Increase in capital and equipment expenditures - \$35,000

Storm Fund

- Reduction in impact fee revenue - \$29,500
- Increase in transfers in and interest earnings- \$76,000
- Increase in repair and maintenance and developer reimbursements expenditures - \$62,000

Golf Fund

- Increase in operating revenues - \$1,110,000
- Increase in operating expenditures - \$605,000

Fleet

- Increase in interest earnings - \$33,000
- Reduction for lease payment expenditure - \$65,000
- Increase for vehicle purchases - \$155,400

**CITY OF NORTH SALT LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2024**

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities at June 30, 2024 amounts to \$108,580,531 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, vehicles and equipment, furniture and fixtures, streetlights, sidewalks, curb and gutter, roads, water rights, and water utilities infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$2,536,757 (2.39%) consisting of increases of \$2,227,023 in governmental activities and \$309,734 in business-type activities. Major capital asset activity during the current fiscal year has been summarized in the following two tables.

City of North Salt Lake's Schedule of Capital Asset Changes From Prior Year			
	Governmental Activities	Business-type Activities	Totals
Current year expenses Legacy Park Trail	158,130	-	158,130
Current year expenses Foxboro Wetlands Park	46,358	-	46,358
Current year expenses Town Center I-15 Trail	4,889	-	4,889
Current year expenses Hatch Park Expansion	918,086	-	918,086
Current year expenses Dog Park	7,219	-	7,219
Current year expenses Concrete Boat Ramp	36,539	-	36,539
Foxboro Park Trail	117,798	-	117,798
Eaglewood Cove Detention Basin	48,000	-	48,000
Legacy, Wild Rose, and Fox Hollow Park Pump Stations	93,061	-	93,061
Resurface Tunnel Springs Tennis Court	33,620	-	33,620
Current year expenses Main St. (I-15 to 1000 N)	20,809	-	20,809
Current year expenses 400 West Street Reconstruction	1,210	-	1,210
Current year expenses 475 N & Cloverdale	239,897	-	239,897
Current year expenses Parkway Dr, Canyon Ln, Eagle Pass	243,579	-	243,579
Current year expenses Sider Dr, 175 N, 550 E, 575 E	316,621	-	316,621
Current year expenses Reconstruct Woodcrest Ln, Tanglewood, Snflw	22,779	-	22,779
Current year expenses 4000 South	5,291	-	5,291
Current year expenses Dorthea, Bernice	33,021	-	33,021
Current year expenses Elm Ave	3,129	-	3,129
Current year expenses 1100 N RR Cross Widen (60-80)	32,104	-	32,104
Current year expenses 1100 North Bridge	35,613	-	35,613
Current year expenses Redwood Rd Sidewalk	41,454	-	41,454
Current year expenses Signal 400 W and 1100 N	22,711	-	22,711
75 E, 12 E & 175 Reconstruct	108,327	-	108,327
Lacey Way (Maria, Gary, Nancy)	323,961	-	323,961
Eaglewood Dr. (Orchard to Eagleridge)	413,294	-	413,294
Reconstruct US 89 to Center	75,220	-	75,220
Reconstruct Mntview, Skyview, Wldflwr, Sego	228,671	-	228,671
Vehicles, Machinery, and Equipment	491,463	284,881	776,343
Completed PRV Vault and Valve Replacement	-	456,483	456,483
Current year expenses 150 N Waterline Replacement	-	37,535	37,535
Current year expenses 475 N & Cloverdale Waterline	-	157,309	157,309
Current year expenses 75 E 125 E & 175 E Replacement	-	2,602	2,602
Current year expenses Equalization 350 E and Morton	-	1,681	1,681
Current year expenses EWGC Hole 7 & 11 Lake Enlargement	-	3,449	3,449
Current year expenses Gary Way Emergency Repairs	-	48,838	48,838
Current year expenses Lacey Way waterline Replacement	-	220	220
Current year expenses Water System Generators	-	1,490	1,490
Current year expenses Sensus Base Station Tower	-	123,310	123,310
Big West Oil flow ctr, valve, meter	-	97,983	97,983
Main St. Waterline US 89 to Center	-	34,817	34,817
Waterline Mntview, Skyview, Wldflwr, Sego	-	426,667	426,667
Current year expenses Flood Control Hole 7	-	8,237	8,237
Storm Drain Mountainview, Skyview, Wildflowe, Sego Lily	-	30,000	30,000
Completed Club House Renovation	-	194,956	194,956
Less current year deletions	(298,320)	-	(298,320)
Less current year depreciation expense (Fleet is in governmental)	(1,895,828)	(1,600,723)	(3,496,551)
Add current year accumulated depreciation deletions	298,320	-	298,320
Total	\$ 2,227,023	\$ 309,734	2,536,757

**CITY OF NORTH SALT LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2024**

Capital Asset and Debt Administration (Continued)

City of North Salt Lake's Capital Assets (Net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 25,812,146	\$ 25,812,146	\$ 2,551,013	\$ 2,551,013	\$ 28,363,159	\$ 28,363,159
Water rights	-	-	2,864,052	2,864,052	2,864,052	2,864,052
Construction in progress	3,367,849	3,936,876	957,390	2,220,018	4,325,239	6,156,894
Buildings	4,131,044	4,403,974	4,154,429	4,106,878	8,285,473	8,510,852
Improvements	6,238,100	6,192,215	-	-	6,238,100	6,192,215
Golf course	-	-	1,974,212	2,072,120	1,974,212	2,072,120
Water distribution system	-	-	20,294,143	18,510,585	20,294,143	18,510,585
Storm water system	-	-	6,671,083	6,869,289	6,671,083	6,869,289
Machinery, equip, and vehicle:	1,795,815	1,757,801	1,174,037	1,136,669	2,969,852	2,894,470
Infrastructure	26,595,218	23,610,137	-	-	26,595,218	23,610,137
Total	\$ 67,940,172	\$ 65,713,149	\$ 40,640,359	\$ 40,330,624	\$ 108,580,531	\$ 106,043,773

Additional information on the City's capital assets may be found in Note 5 of this report.

Long-term debt. At the end of the current fiscal year, the City had \$26,315,426 in outstanding long-term debt. All of the bonded debt was secured by specific revenue sources.

City of North Salt Lake's Outstanding debt						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Notes payable	\$ -	\$ -	\$ 657,000	\$ 708,073	\$ 657,000	\$ 708,073
Sales Tax revenue bonds	19,317,000	20,245,000	3,915,000	4,015,000	23,232,000	24,260,000
Water revenue bonds	-	-	1,557,000	1,766,000	1,557,000	1,766,000
RDA bonds	338,000	443,000	-	-	338,000	443,000
Capital leases	-	23,204	531,426	-	531,426	23,204
Total	\$ 19,655,000	\$ 20,711,204	\$ 6,660,426	\$ 6,489,073	\$ 26,315,426	\$ 27,200,277

During the 2024 fiscal year, the City's total debt decreased by \$884,851. Additional information on the City's long-term debt, including individual schedules, may be found in Note 8 of this report.

Economic Factors and Next Year's Budgets and Rates

- Unemployment rates in Davis County are slightly below the State of Utah at 3.4%, up from 2.6 percent for the prior reporting period. Davis County saw one of the highest wage growth rates in the state for Q2 2024, with a 10.8% increase pushing the average monthly wage to \$4,973 – up \$484 from last year. These gains were the third highest in the state (Source: Utah Department of Workforce Services)
- Budgeted sales tax revenues have remained conservatively flat as the City closely monitors collections. We continue to work with the Sate Tax Commission to receive the proper allocation for businesses that were annexed in the previous fiscal year. Changes in the population factor have boosted collections slightly, with the first three months of collections totaling \$1,720,200, compared to \$1,667,800 last year and \$1,659,700 in fiscal year 2022.
- Certified tax rate (CTR) revenues are anticipated to come in higher than budgeted calculations. The prior year's collections were \$3,048,598 compared to \$2,915,723 in CTR calculated property tax revenues. It is expected that this year's collections will exceed \$3,082,000 compared to \$2,952,079 in CTR calculated property tax revenues.

CITY OF NORTH SALT LAKE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2024

- The Hatch Park expansion project continues to push budgetary constraints in fiscal year 2025. An additional \$3,000,000 in funding split evenly between General Fund and Capital Projects Fund balance reserves will offset the increases in construction costs, while the overall project will “re-phased” to better time improvement expenditures with available resources.

Requests for Information

This financial report is designed to provide a general overview of the City of North Salt Lake's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of North Salt Lake, 10 East Center Street, North Salt Lake, UT 84054.

BASIC FINANCIAL STATEMENTS

CITY OF NORTH SALT LAKE
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 18,267,609	\$ 5,036,261	\$ 23,303,870
Receivables:			
Accounts net	291,629	-	291,629
Taxes	3,148,199	1,179,846	4,328,045
Intergovernmental	1,611,229	-	1,611,229
Internal balances	2,921,931	(2,921,931)	-
Inventories	-	906,246	906,246
Prepays	90,383	444,225	534,608
Restricted cash and cash equivalents	27,285,918	1,838,404	29,124,322
Capital assets not being depreciated:			
Land	25,812,146	2,551,013	28,363,159
Water rights	-	2,864,052	2,864,052
Construction in progress	3,367,849	957,390	4,325,239
Capital assets, net of accumulated depreciation:			
Buildings	4,131,044	4,154,429	8,285,473
Improvements other than buildings	6,238,100	-	6,238,100
Golf course	-	1,974,212	1,974,212
Water distribution system	-	20,294,143	20,294,143
Storm water system	-	6,671,083	6,671,083
Machinery, equipment, and vehicles	1,795,815	1,174,037	2,969,852
Infrastructure	26,595,218	-	26,595,218
Total Assets	<u>121,557,070</u>	<u>47,123,409</u>	<u>168,680,479</u>
Deferred Outflows of Resources			
Deferred outflows of resources relating to pensions	1,728,936	518,914	2,247,850
Total Assets and Deferred Outflows of Resources	<u>123,286,006</u>	<u>47,642,323</u>	<u>170,928,329</u>
Liabilities			
Accounts payable	918,194	627,549	1,545,743
Accrued liabilities	540,428	58,722	599,150
Developer and customer deposits	749,981	989	750,970
Unearned revenue	2,430,822	197,755	2,628,577
Noncurrent liabilities:			
Due within one year	1,546,573	594,879	2,141,452
Due in more than one year	19,195,288	6,565,316	25,760,604
Net pension liability	1,510,627	538,604	2,049,231
Total Liabilities	<u>26,891,913</u>	<u>8,583,814</u>	<u>35,475,727</u>
Deferred Inflows of Resources			
Deferred inflows relating to pensions	9,929	3,833	13,762
Deferred inflows for property taxes	3,046,735	-	3,046,735
Total Deferred Inflows of Resources	<u>3,056,664</u>	<u>3,833</u>	<u>3,060,497</u>
Net Position			
Net investment in capital assets	63,612,809	30,654,546	94,267,355
Restricted for:			
Impact fees	3,199,179	619,171	3,818,350
Debt service	157,627	72,261	229,888
Class C and Transportation Tax Projects	1,631,764	-	1,631,764
Construction Projects	5,783,518	497,660	6,281,178
Equipment Purchases	-	649,312	649,312
Local building authority	77,965	-	77,965
Housing restriction	896,864	-	896,864
Unrestricted	17,977,702	6,561,726	24,539,429
Total Net Position	<u>93,337,429</u>	<u>39,054,676</u>	<u>132,392,105</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 123,286,006</u>	<u>\$ 47,642,323</u>	<u>\$ 170,928,329</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF NORTH SALT LAKE
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2024**

	<u>Program Revenues</u>				<u>Net Revenue (Expense) and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Functions/Programs							
Government Activities							
General governmental	\$ 2,164,436	\$ -	\$ -	\$ 122,407	\$ (2,042,029)	\$ -	\$ (2,042,029)
Public safety	7,187,646	452,106	28,186	-	(6,707,354)	-	(6,707,354)
Highways and public improvements	3,272,749	120,721	1,548,353	97,572	(1,506,103)	-	(1,506,103)
Community development	2,099,258	514,315	-	3,502	(1,581,441)	-	(1,581,441)
Parks, recreation, and public property	1,678,297	208,244	26,745	22,000	(1,421,308)	-	(1,421,308)
Interest on long-term debt	853,740	-	-	-	(853,740)	-	(853,740)
Total Governmental Activities	<u>17,256,126</u>	<u>1,295,386</u>	<u>1,603,284</u>	<u>245,481</u>	<u>(14,111,975)</u>	<u>-</u>	<u>(14,111,975)</u>
Business-type Activities							
Water	4,988,332	5,064,668	-	114,738	-	191,074	191,074
Storm water	1,073,618	1,139,604	-	28,909	-	94,895	94,895
Solid waste	1,538,530	1,719,835	-	-	-	181,305	181,305
Golf course	3,344,772	3,488,252	-	-	-	143,480	143,480
Total Business-type Activities	<u>10,945,252</u>	<u>11,412,359</u>	<u>-</u>	<u>143,647</u>	<u>-</u>	<u>610,754</u>	<u>610,754</u>
Total Government	<u>\$ 28,201,378</u>	<u>\$ 12,707,745</u>	<u>\$ 1,603,284</u>	<u>\$ 389,128</u>	<u>(14,111,975)</u>	<u>610,754</u>	<u>(13,501,221)</u>
General Revenues							
					6,506,170	-	6,506,170
					6,591,278	-	6,591,278
					2,224,060	-	2,224,060
					2,569,441	226,562	2,796,003
					234,319	115,386	349,705
					40,091	-	40,091
					<u>18,165,359</u>	<u>341,948</u>	<u>18,507,307</u>
					4,053,384	952,702	5,006,086
					<u>89,284,045</u>	<u>38,101,974</u>	<u>127,386,019</u>
					<u>\$ 93,337,429</u>	<u>\$ 39,054,676</u>	<u>\$ 132,392,105</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH SALT LAKE
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2024

	General	Redevelopment Agency	Debt Srv Rap Tax	Capital Projects	Road Development	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 4,469,238	\$ 2,758,693	\$ -	\$ 5,905,062	\$ 3,958,293	\$ 423,464	\$ 17,514,750
Receivables:			-				
Accounts - net	216,237	-	-	-	48,648	-	264,885
Taxes	3,042,293	-	105,907	-	-	26,745	3,174,945
Intergovernmental	1,333,431	-	-	-	277,798	-	1,611,229
Prepays	90,383	-	-	-	-	-	90,383
Due from other funds	-	-	-	2,921,931	-	-	2,921,931
Restricted cash and cash equivalents	-	3,657,579	17,163,268	-	4,680,426	1,784,644	27,285,917
Total Assets	\$ 9,151,582	\$ 6,416,272	\$ 17,269,175	\$ 8,826,993	\$ 8,965,165	\$ 2,234,853	\$ 52,864,040
Liabilities							
Cash deficit	\$ -	\$ -	\$ 193,771	\$ -	\$ -	\$ -	\$ 193,771
Accounts payable	148,112	-	-	164,759	545,245	59,611	917,727
Accrued liabilities	540,428	-	-	-	-	-	540,428
Unearned revenue	-	-	-	-	2,430,822	-	2,430,822
Developer and customer deposits	749,981	-	-	-	-	-	749,981
Total Liabilities	1,438,521	-	193,771	164,759	2,976,067	59,611	4,638,958
Deferred Inflows of Resources							
Unavailable revenues - property taxes	3,046,735	-	-	-	-	-	3,046,735
Total Deferred Inflows of Resources	3,046,735	-	-	-	-	-	3,046,735
Fund Balances							
Nonspendable:							
Prepaid items	90,383	-	-	-	-	-	90,383
Restricted:							
Impact fees	-	-	-	-	3,048,662	150,517	3,199,179
Class C and Transportation Tax projects	-	-	-	-	1,631,764	-	1,631,764
Capital projects	-	3,657,579	17,163,268	-	-	659,298	21,480,145
Local building authority	-	-	-	-	-	77,965	77,965
Housing restriction	-	-	-	-	-	896,864	896,864
Assigned:							
Road development	-	-	-	-	1,308,672	-	1,308,672
Construction projects	-	-	-	8,662,234	-	390,598	9,052,832
Debt service	-	2,758,693	-	-	-	-	2,758,693
Unassigned	4,575,943	-	(87,864)	-	-	-	4,488,079
Total Fund Balances	4,666,326	6,416,272	17,075,404	8,662,234	5,989,098	2,175,242	44,984,576
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,151,582	\$ 6,416,272	\$ 17,269,175	\$ 8,826,993	\$ 8,965,165	\$ 2,234,853	\$ 52,864,040

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH SALT LAKE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
June 30, 2024

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

Total fund balance - governmental funds	\$ 44,984,576
Deferred outflows of resources, a consumption of net position that applies to future periods, is not shown in the fund statements.	1,666,191
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	66,492,147
Long-term liabilities are not due and payable in the current period and therefore are not recorded in the funds.	(22,170,099)
Deferred inflows of resources, report net position that applies to future periods, is not shown in the fund statements	(9,564)
Internal service funds are used by management to charge the cost of fleet management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	2,374,177
Total net position - governmental activities	<u><u>\$ 93,337,429</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH SALT LAKE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2024

	General	Redevelopment Agency	Debt Srv Rap Tax	Capital Projects	Road Development	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 12,014,529	\$ 2,690,607	\$ 616,373	\$ -	\$ -	\$ -	\$ 15,321,509
Licenses and permits	252,298	-	-	-	-	-	252,298
Rental income	-	-	-	-	-	98,781	98,781
Intergovernmental	150,593	-	-	-	1,617,645	26,745	1,794,983
Charges for services	489,249	-	-	-	-	-	489,249
Fines and forfeitures	414,021	-	-	-	-	-	414,021
Impact fees	-	-	-	-	28,279	25,502	53,781
Interest	257,095	318,570	969,676	452,222	417,632	105,114	2,520,309
Miscellaneous	151,570	-	-	-	41,486	-	193,056
Total Revenues	<u>13,729,355</u>	<u>3,009,177</u>	<u>1,586,049</u>	<u>452,222</u>	<u>2,105,042</u>	<u>256,142</u>	<u>21,137,987</u>
Expenditures							
Current:							
General government	1,953,194	46,858	-	-	-	-	2,000,052
Public safety	7,308,247	-	-	-	-	-	7,308,247
Highways and public improvements	1,975,917	-	-	-	436,948	-	2,412,865
Community development	859,724	1,169,804	3,100	-	-	37,377	2,070,005
Parks, recreation, and public property	1,434,347	-	-	-	-	-	1,434,347
Debt service:							
Principal	-	295,000	633,000	-	-	105,000	1,033,000
Interest	-	78,750	759,507	-	-	15,097	853,354
Capital outlay:							
Highways and public improvements	-	-	-	-	2,191,353	-	2,191,353
Parks, recreation, and public property	-	-	-	-	-	1,422,232	1,422,232
Total Expenditures	<u>13,531,429</u>	<u>1,590,412</u>	<u>1,395,607</u>	<u>-</u>	<u>2,628,301</u>	<u>1,579,706</u>	<u>20,725,455</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>197,926</u>	<u>1,418,765</u>	<u>190,442</u>	<u>452,222</u>	<u>(523,259)</u>	<u>(1,323,564)</u>	<u>412,532</u>
Other Financing Sources (Uses)							
Transfer in	329,362	-	460,000	11,025	705,000	1,566,075	3,071,462
Transfer out	(705,000)	(790,918)	(1,003,759)	(275,928)	(194,832)	(101,025)	(3,071,462)
Contributions	82,300	-	-	-	-	-	82,300
Total Other Financing Sources (Uses)	<u>(293,338)</u>	<u>(790,918)</u>	<u>(543,759)</u>	<u>(264,903)</u>	<u>510,168</u>	<u>1,465,050</u>	<u>82,300</u>
Net Change in Fund Balances	<u>(95,412)</u>	<u>627,847</u>	<u>(353,317)</u>	<u>187,319</u>	<u>(13,091)</u>	<u>141,486</u>	<u>494,832</u>
Fund Balance, Beginning	<u>4,761,738</u>	<u>5,788,425</u>	<u>17,428,721</u>	<u>8,474,915</u>	<u>6,002,189</u>	<u>2,033,756</u>	<u>44,489,744</u>
Fund Balance, Ending	<u>\$ 4,666,326</u>	<u>\$ 6,416,272</u>	<u>\$ 17,075,404</u>	<u>\$ 8,662,234</u>	<u>\$ 5,989,098</u>	<u>\$ 2,175,242</u>	<u>\$ 44,984,576</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH SALT LAKE
RECONCILIATIONS OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2024

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

Net change in fund balances - total governmental funds	\$	494,832
Governmental funds have reported capital outlays, past and present, as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Depreciation expense		(1,892,932)
Less internal service fund depreciation expense included in net revenue below		403,773
		(1,489,159)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net position.		
		3,671,007
Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.		
		1,068,227
The internal service fund is used by management to charge the costs of fleet management to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.		
		152,403
The long term portion of accrued leave does not require the use of current financial resources and therefore is not recorded as an expenditure in the Governmental Funds.		
		(64,260)
The Statement of Activities includes the net pension benefit (expense) from the adoption of GASB 68, which is not included in the fund statements.		
		220,334
Change in net position of governmental activities	\$	4,053,384

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH SALT LAKE
STATEMENT OF FUND NET POSITION – PROPRIETARY FUNDS
For The Year Ended June 30, 2024

	Business-type Activities				Governmental Activities	
	Water	Storm Water	Solid Waste	Golf	Total Enterprise	Internal Service Fund - Fleet
Assets						
Current Assets						
Cash and cash equivalents	\$ 2,776,628	\$ 1,246,642	\$ 616,527	\$ 396,464	\$ 5,036,261	\$ 946,629
Receivables:						
Accounts receivable, net	845,806	146,701	183,234	4,105	1,179,846	-
Due from other funds	-	-	-	-	-	-
Inventories	723,740	-	-	182,506	906,246	-
Prepaid expenses	444,225	-	-	-	444,225	-
Total Current Assets	<u>4,790,399</u>	<u>1,393,343</u>	<u>799,761</u>	<u>583,075</u>	<u>7,566,578</u>	<u>946,629</u>
Noncurrent Assets						
Restricted cash and cash equivalents	437,596	553,935	-	846,873	1,838,404	-
Net pension asset	-	-	-	-	-	-
Capital assets:						
Land	197,538	-	-	2,353,475	2,551,013	-
Water rights	2,864,052	-	-	-	2,864,052	-
Buildings	294,908	-	-	4,497,113	4,792,021	-
Golf course	-	-	-	4,782,526	4,782,526	-
Water distribution system	34,559,240	-	-	-	34,559,240	-
Storm water system	-	9,026,788	-	-	9,026,788	-
Machinery, equipment, and vehicles	1,532,986	278,645	79,724	1,745,537	3,636,892	5,063,829
Construction-in-progress	781,385	54,366	-	121,639	957,390	-
Less accumulated depreciation	(15,609,322)	(2,556,352)	(79,724)	(4,284,164)	(22,529,562)	(3,615,807)
Total Noncurrent Assets	<u>25,058,383</u>	<u>7,357,382</u>	<u>-</u>	<u>10,062,999</u>	<u>42,478,764</u>	<u>1,448,022</u>
Total Assets	<u>29,848,782</u>	<u>8,750,725</u>	<u>799,761</u>	<u>10,646,074</u>	<u>50,045,342</u>	<u>2,394,651</u>
Deferred outflows of resources						
Deferred outflows of resources relating to pensions	274,857	70,062	15,091	158,904	518,914	62,745
Total Assets and Deferred Outflows of Resources	<u>\$ 30,123,639</u>	<u>\$ 8,820,787</u>	<u>\$ 814,852</u>	<u>\$ 10,804,978</u>	<u>\$ 50,564,256</u>	<u>\$ 2,457,396</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH SALT LAKE
STATEMENT OF FUND NET POSITION – PROPRIETARY FUNDS (Continued)
For The Year Ended June 30, 2024

	Business-type Activities				Governmental Activities	
	Water	Storm Water	Solid Waste	Golf	Total Enterprise	Internal Service Fund - Fleet
Liabilities						
Current Liabilities						
Accounts payable	\$ 315,445	\$ 35,708	\$ 164,533	\$ 111,863	\$ 627,549	\$ 470
Compensated absences	73,397	15,341	1,634	65,485	155,857	9,039
Accrued liabilities	9,402	1,449	-	47,871	58,722	-
Unearned Revenue	-	-	-	197,755	197,755	-
Leases payable	-	67,604	-	50,282	117,886	-
Revenue and general obligation bonds payable	184,375	28,625	-	108,136	321,136	-
Total Current Liabilities	582,619	148,727	166,167	581,392	1,478,905	9,509
Noncurrent Liabilities						
Compensated absences	65,091	13,603	1,451	58,067	138,212	8,014
Customer deposits	989	-	-	-	989	-
Due to other funds	-	-	-	2,921,931	2,921,931	-
Notes payable	-	-	-	657,000	657,000	-
Leases payable	-	304,756	-	226,670	531,426	-
Net pension liability	291,430	71,548	15,541	160,085	538,604	65,332
Revenue and general obligation bonds payable	1,163,347	180,653	-	3,894,680	5,238,680	-
Total Noncurrent Liabilities	1,520,857	570,560	16,992	7,918,433	10,026,842	73,346
Total Liabilities	2,103,476	719,287	183,159	8,499,825	11,505,747	82,855
Deferred inflows of resources						
Deferred inflows of resources relating to pensions	1,934	476	326	1,097	3,833	365
Total Liabilities and Deferred Inflows of Resources	2,105,410	719,763	183,485	8,500,922	11,509,580	83,220
Net Position						
Net investment in capital assets	23,273,065	6,221,809	-	8,282,174	30,654,546	1,448,022
Restricted:						
Debt service	-	-	-	72,261	72,261	-
Equipment	-	372,360	-	276,952	649,312	-
Construction	-	-	-	497,660	497,660	-
Impact fees	437,596	181,575	-	-	619,171	-
Unrestricted	4,307,568	1,325,280	631,367	(6,824,991)	6,561,726	926,154
Total Net Position	28,018,229	8,101,024	631,367	2,304,056	39,054,676	2,374,176
Total Liabilities, Deferred Inflows and Net Position	\$ 30,123,639	\$ 8,820,787	\$ 814,852	\$ 10,804,978	\$ 50,564,256	\$ 2,457,396

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH SALT LAKE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS
For The Year Ended June 30, 2024

	Business-type Activities				Governmental Activities	
	Water	Storm Water	Solid Waste	Golf	Total Enterprise	Internal Service Fund - Fleet
Operating Revenues						
Charges for services:						
Metered water sales	\$ 5,040,670	\$ -	\$ -	\$ -	\$ 5,040,670	\$ -
User fees	-	1,139,604	1,719,835	-	2,859,439	813,492
Connection and servicing fees	23,998	-	-	-	23,998	-
Admissions and lesson fees	-	-	-	1,490,150	1,490,150	-
Equipment and facility rents	-	-	-	974,130	974,130	-
Concession and merchandise sales	-	-	-	1,023,972	1,023,972	-
Miscellaneous	115,386	-	-	-	115,386	-
Total Operating Revenues	5,180,054	1,139,604	1,719,835	3,488,252	11,527,745	813,492
Operating Expenses						
Salaries and benefits	1,402,309	412,726	85,515	1,591,536	3,492,086	307,616
Office expense and supplies	498,005	94,871	59,056	95,436	747,368	-
Equipment - supplies and maintenance	256,775	116,438	42,421	328,297	743,931	38,537
Buildings and grounds - supplies and maintenance	89,566	-	-	63,592	153,158	-
Special department supplies	32,417	-	32,802	-	65,219	-
Power purchases	425,263	-	-	36,503	461,766	-
Water purchases	961,528	-	-	140,383	1,101,911	-
Professional services	168,218	184,379	3,876	144,069	500,542	-
Contracted services	-	-	1,313,389	-	1,313,389	-
Merchandise	-	-	-	414,291	414,291	-
Depreciation	1,082,623	258,605	1,471	258,024	1,600,723	403,773
Miscellaneous	42,307	2,046	-	77,834	122,187	-
Total Operating Expenses	4,959,011	1,069,065	1,538,530	3,149,965	10,716,571	749,926
Operating Income (Loss)	\$ 221,043	\$ 70,539	\$ 181,305	\$ 338,287	\$ 811,174	\$ 63,566

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH SALT LAKE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS (Continued)
For The Year Ended June 30, 2024

	Business-type Activities				Governmental Activities	
	Water	Storm Water	Solid Waste	Golf	Total Enterprise	Internal Service Fund - Fleet
Nonoperating Income (Expense)						
Interest income	\$ 141,077	\$ 64,506	\$ 20,979	\$ -	\$ 226,562	\$ 49,132
Interest expense	(29,321)	(4,553)	-	(194,807)	(228,681)	(386)
Gain (loss) from sale of capital assets	-	-	-	-	-	40,091
Total Nonoperating Income (Expense)	111,756	59,953	20,979	(194,807)	(2,119)	88,837
Income (loss) before contributions and transfers	332,799	130,492	202,284	143,480	809,055	152,403
Impact Fees	114,738	28,909	-	-	143,647	-
Change in Net Position	447,537	159,401	202,284	143,480	952,702	152,403
Net Position, Beginning	27,570,692	7,941,623	429,083	2,160,576	38,101,974	2,221,773
Net Position, Ending	\$ 28,018,229	\$ 8,101,024	\$ 631,367	\$ 2,304,056	\$ 39,054,676	\$ 2,374,176

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH SALT LAKE
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
For The Year Ended June 30, 2024

	Business-type Activities					Governmental Activities
	Water	Storm Water	Solid Waste	Golf	Total Enterprise	Internal Service Fund - Fleet
Cash Flows From Operating Activities						
Receipts from customers and users	\$ 4,826,557	\$ 1,102,418	\$ 1,700,060	\$ 3,497,709	\$ 11,126,743	\$ 813,490
Receipts from customer deposits	(349)	-	-	-	(349)	-
Payments to suppliers and service providers	(3,129,131)	(442,202)	(1,485,100)	(1,383,232)	(6,439,665)	(47,645)
Payments to employees and related benefits	(1,420,525)	(402,423)	(78,850)	(1,526,363)	(3,428,160)	(303,231)
Net cash flows from operating activities	276,552	257,793	136,110	588,114	1,258,569	462,614
Cash Flows From Non-Capital Financing Activities						
Due to/from other funds	-	-	-	-	-	-
Net cash flows from non-capital financing activities	-	-	-	-	-	-
Cash Flows From Capital and Related Financing Activities						
Acquisition and construction of capital assets	(1,514,956)	(38,237)	-	(357,264)	(1,910,457)	(451,841)
Proceeds from sales of capital assets	-	-	-	-	-	42,988
Impact fees and interest subsidies received	114,738	28,909	-	-	143,647	-
Principal paid on capital bonds and leases	(180,910)	293,197	-	173,816	286,103	(23,204)
Interest paid on capital bonds and leases	(29,321)	(4,553)	-	(194,807)	(228,681)	(386)
Net cash flows from capital and related financing activities	\$ (1,610,449)	\$ 279,316	\$ -	\$ (378,255)	\$ (1,709,388)	\$ (432,443)

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH SALT LAKE
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)
For The Year Ended June 30, 2024

	Business-type Activities					Governmental Activities
	Water	Storm Water	Solid Waste	Golf	Total Enterprise	Internal Service Fund - Fleet
Cash Flows From Investing Activities						
Interest on investments	\$ 141,077	\$ 64,506	\$ 20,979	\$ -	\$ 226,562	\$ 49,132
Net cash flows from investing activities	<u>141,077</u>	<u>64,506</u>	<u>20,979</u>	<u>-</u>	<u>226,562</u>	<u>49,132</u>
Net Increase (Decrease) In Cash and Cash Equivalents	(1,192,820)	601,615	157,089	209,859	(224,258)	79,302
Cash and Cash Equivalents, Beginning	<u>4,407,044</u>	<u>1,198,962</u>	<u>459,438</u>	<u>1,033,479</u>	<u>7,098,924</u>	<u>867,326</u>
Cash and Cash Equivalents, Ending	<u>\$ 3,214,224</u>	<u>\$ 1,800,577</u>	<u>\$ 616,527</u>	<u>\$ 1,243,338</u>	<u>\$ 6,874,666</u>	<u>\$ 946,628</u>
Reconciliation of operating income to net cash flows from operating activities						
Earnings (loss) from operations	\$ 252,612	\$ 80,530	\$ 183,964	\$ 352,528	\$ 869,634	\$ 73,762
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:						
Depreciation	1,082,623	258,605	1,471	258,024	1,600,723	403,773
Changes in assets and liabilities						
Accounts receivable, net	(353,499)	(37,186)	(19,775)	9,457	(401,003)	-
Inventories	(367,446)	-	-	(81,120)	(448,566)	-
Prepaid expenses	(12,621)	-	-	-	(12,621)	-
Net pension liability	(69,148)	(5,898)	5,246	27,122	(42,678)	(7,673)
Accounts payable	(240,280)	(33,515)	(31,286)	48,527	(256,554)	(793)
Compensated absences	19,363	6,210	(1,240)	5,390	29,723	1,860
Accrued liabilities	(34,703)	(10,953)	(2,270)	(31,814)	(79,740)	(8,315)
Customer deposits	(349)	-	-	-	(349)	-
Net cash flows from operating activities	<u>\$ 276,552</u>	<u>\$ 257,793</u>	<u>\$ 136,110</u>	<u>\$ 588,114</u>	<u>\$ 1,258,569</u>	<u>\$ 462,614</u>

The notes to the financial statements are an integral part of this statement.

CITY OF NORTH SALT LAKE

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of North Salt Lake (the City) was incorporated under the laws of the State of Utah in 1946 and operates under a manager-council form of government and provides the following services as authorized by its charter: public safety, public health, public improvements, highways, recreation, and general administrative services.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The City has adopted GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance. Accordingly, the City has elected to apply all applicable GASB pronouncements and codified accounting standards issued by GASB. The more significant accounting policies established in GAAP and used by the City are discussed below.

The Reporting Entity

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. In defining the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by the Governmental Accounting Standards board (GASB). Under GASB Statement No. 61, The Financial Reporting Entity, the financial reporting entity consists of the primary government and the blended component units:

Blended Component Units

The City of North Salt Lake Redevelopment Agency (RDA) was established to prepare and carry out plans to improve, rehabilitate, and redevelop certain 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 City of North Salt Lake Local Building Authority (LBA) was established to finance and construct municipal buildings that are then leased to the City. The LBA is governed by a board of trustees composed of the City Council. Although it is a legally separate entity from the City, the LBA 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 LBA. The LBA is included in these financial statements as the Local Building Authority special revenue Fund. Separate financial statements are not issued for the LBA.

Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general governmental services, public safety, highways and public improvements, parks, recreation, public property, and community development are classified as governmental activities. The City's water, secondary water, storm water, solid waste, and golf course services are classified as business-type activities.

The government-wide financial statements (i.e., the *statement of net position* and the *statement of activities*) report information on all of the activities of the City and its blended component units. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on user fees and charges for support.

The *statement of activities* demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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 and proprietary funds. 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 the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they became available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the awarding agency have been met.

The financial resources used to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing sources. Amounts paid to reduce the long-term debt of the City are reported as a reduction of the related liability, rather than expenditures 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 claims and judgments, are recorded only when payment is due.

Sales 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 are 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 (generally within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when the City receives cash.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures or expenses as appropriate.

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 those required to be accounted for in another fund.

The Redevelopment Agency Funds are designated for the collection of tax increment revenues during the life of the City's redevelopment project areas, with expenditures consisting of commitments to development agreements, low-income housing, and parks projects.

The Debt Service – Rap Tax Fund is a special revenue fund that accounts for RAP Tax revenues and associated debt service on parks projects.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 Proprietary Funds and Special Revenue Funds). Capital project funds are used to account for resources designated to construct governmental capital assets which may require more than one fiscal year for completion.

The Park Development Fund is a capital project fund. Capital project funds account 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 Proprietary Funds and Special Revenue Funds). This fund is used to account for the park impact fees received.

The Road Development Fund is a capital projects fund. Capital project funds account 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 Proprietary Funds and Special Revenue Funds). This fund is used to account for the road impact fees, Class C Road distributions, and transportation taxes received.

The City reports the following major proprietary funds:

The Water Fund accounts for the activities of the City's culinary water, pressurized irrigation, and second water distribution systems.

The Storm Water Fund accounts for the activities of the City's storm water collection system.

The Solid Waste Fund accounts for the activities of the City's solid waste services.

The Golf Course Fund accounts for the activities of the City's golf course.

Additionally, the City reports the following fund types:

Internal service fund – Fleet. The fleet internal service fund accounts for fleet management provided to the City's governmental funds on a cost-reimbursement basis. Each proprietary fund provides its own fleet management services.

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 the enterprise funds are charges to customers. Operating expenses for enterprise funds include 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.

City policy states that when fund balance is available for use the following spending order will be followed: restricted, committed, assigned, and then unassigned fund balance as it is needed.

The City records utility revenues billed to its customers when meters are read on a monthly basis.

Budgets

Annual budgets are prepared and adopted by resolution of the Legislative Body of the City of North Salt Lake on or before June 30 for the following fiscal year, in accordance with State law.

Budgets include activities in several different funds, including the general fund, special revenue funds, debt service fund, and proprietary funds. Annual budgets are also adopted for capital projects, which may include activities overlapping several fiscal years. The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established at the department level. Each department head is responsible to the Mayor and City Council for operating within the budget for their department. All annual budgets lapse at fiscal year-end.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets (Continued)

Utah State law prohibits the appropriation of the sum of unassigned, assigned, and committed General Fund balance until it exceeds 5% of the General Fund revenues. Until the sum of the stated fund balance categories is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Utah State law also prohibits the accumulation of the stated fund balance categories in any amount greater than 35% of current year general fund revenues.

By resolution, the City Council may amend the budget to any extent, provided the amended budget does not exceed the original budgeted expenditures, in which case a public hearing must be held. With the consent of the City Manager, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year.

Budgets for the General Fund, special revenue funds, debt service funds, and Capital Projects Fund are prepared on the modified accrual basis of accounting. The City does not use encumbrance accounting.

Expenditures in the Capital Projects Fund are budgeted annually on a project-by-project basis. Although it is the intention of the City that each project be funded by a specific revenue source, the adopted budget reflects only total anticipated revenues by source. Since it is neither practicable, nor appropriate, to separate revenues and fund balance on a project-by-project basis, the Capital Projects Fund is reported as an individual fund in the accompanying financial statements.

Estimates and assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

Taxes

On or before June 22 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the previous years certified tax rate budgeted revenue, state law requires the City to provide public notice to property owners and hold a public hearing. When these special public hearings are necessary, the adoption of the final budget is made subsequent to June 30. All property taxes levied by the City are assessed and collected by Davis County. Taxes are attached as an enforceable lien as of January 1, are levied as of October 1, and are due November 30; any delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the property, and the amount of taxes and penalties bears interest from January 1 until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale to relieve the lien, with any additional proceeds distributed to the property owner. Tax collections are remitted to the City from the County on a monthly basis.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly.

Franchise taxes are collected by natural gas, electric utilities, and cable television companies and remitted to the City periodically.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory and Prepaid Items

Inventories of materials used in the construction and repair of the transmission, distribution, and collection systems are valued at the lower of cost or market on a weighted average basis. Golf course merchandise inventories are valued at the lower of cost or market on a first-in, first-out basis.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items in the governmental funds are accounted for using the consumption method.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, curb and gutter, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial individual cost of more than \$10,000 and an estimated useful life that exceeds two years. Such assets are recorded at historical cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add materially to the value of the asset or materially extend assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives as follows:

<u>Assets</u>	<u>Years</u>
Buildings	30-50
Improvements other than buildings	30-50
Infrastructure	30-50
Machinery and equipment	5-12
Vehicles	5-7

Interfund transactions

During the course of operations, numerous transactions occur between individual funds for goods provided, services rendered and for short-term interfund loans or transfers. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Loans are reported as receivables and payables and are classified as "due from other funds" or "due to other funds" on the balance sheet of the governmental fund financial statements. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

When an internal service fund provides goods or services to another fund, redundancy is inherent because expenditures/expenses are reported in both the fund providing and the fund receiving the goods or services. Since internal service funds primarily benefit governmental funds, they are included in the governmental activities in the entity-wide statements. The basic assumption for internal service funds is that they operate on a breakeven basis. Accordingly, any net profit or loss has been allocated to the functions that benefited from the goods or services provided based on proportionate benefit. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund transactions (Continued)

All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation between the governmental fund statements and the government-wide columnar presentation.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts, and issuance costs 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 is 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.

Deferred inflows of resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are reported in both the government-wide statements and the governmental fund statements.

Compensated absences

City employees accrue vacation leave up to a maximum of 240 hours (340 hours for department heads) according to the following schedule, with any unpaid leave paid to employees at retirement or termination.

<u>Years of Service</u>	<u>Hours Accrued Per Pay Period</u>
0-24 months	3.07 (80 hours per year)
2-5 years	3.7 hours (96 hours per year)
5-10 years	4.62 (120 hours per year)
10-15 years	5.54 (144 hours per year)
15-20 years	6.15 (160 hours per year)
Over 20	6.77 (176 hours per year)

Sick leave is earned at a rate of 3.7 hours per pay period (96.2 hours per year), to a maximum of 1,440 hours. Sick pay amounts are charged to expenditures when incurred. Once each year, employees with at least 120 hours of accumulated sick leave may convert 1/3 of that year's unused sick leave to pay. Upon retirement, the City may pay the employee up to 50% of unused accumulated sick leave hours depending upon years of service. The amount of accumulated leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured.

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. Investments are reported at fair value.

Equity – Fund Financial Statements

In the governmental fund financial statements fund equity is classified as fund balance. Fund Balance is further classified as Nonspendable, Restricted, Committed, Assigned or Unassigned.

Nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity – Fund Financial Statements (Continued)

Restricted fund balance classifications are restricted by enabling legislation. Also reported if, (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance classifications include those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council and remain binding unless removed in the same manner.

Assigned fund balance classifications include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, as established by the City Manager. Also includes all remaining amounts that are reported in governmental funds, other than the general fund that are not classified as nonspendable, restricted nor committed or in the General Fund, that are intended to be used for specific purposes.

Unassigned fund balance classification is the residual classification for the General Fund. This classification represents fund balance that has not be assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Equity – Government-wide & Proprietary Financial Statements

Equity is classified as net position and displayed in three components:

1. Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

It is the City's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Leases

As of July 1, 2021 the City of North Salt Lake adopted GASB Statement No. 87, Leases. The implementation of this standard establishes a single model for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

As a Lessee, it is the City's policy to recognize a lease liability and an intangible right to use a leased asset in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$10,000 or more for equipment leases, and an initial, individual value of \$25,000 or more for property, plant, and infrastructure leases. At the commencement of a lease, the City initially measures the lease liability at the present values of payments expected to be made during the term of the lease. characteristics of lease contracts or agreements do not meet the definition of a lease per the application of this statement, including:

1. Leases under twelve months are considered short-term arrangements;
2. Lease-purchase agreements that transfer ownership of the asset to the City at the end of the contract; and,
3. Lease arrangements that do not convey the right to control the underlying asset, including determining the nature and manner of use.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

As a Lessor, it is the City's policy to recognize a lease receivable and deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of the lease payments expected to be received during the lease term.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability, or lease receivable and deferred inflows of resources, if certain changes occur that are expected to significantly affect the amount of the lease liability or lease receivable. Information regarding current lease-purchase agreements may be found in Note 8 of this financial report.

Subscription-Based Information Technology Arrangements

As of July 1, 2022 the City of North Salt Lake adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The implementation of this standard enhances the relevance and reliability of the City's financial statements by requiring it to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement.

As a subscriber, it is the City's policy to recognize the present value of future SBITA subscription payments expected to be made during the SBITA term. Generally, the City recognizes an intangible right-to-use subscription asset and subscription liability for subscription contracts or agreements with a total value of \$25,000 or more for a contract period longer than twelve months. When determining the contract term, the City must consider any options to extend as well as the reasonable expectation that those options will be exercised.

Once identified, the City recognizes the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the interest rate charged by the SBITA vendor, or by the City's incremental borrowing rate if the interest rate is not readily determinable. The City recognizes amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods. The subscription asset is initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The City recognizes amortization of the subscription asset as an outflow of resources over the subscription term.

Certain characteristics of SBITA contracts or agreements do not meet the scope of a SBITA per the application of this statement, including:

1. Agreements covering a right to use period of twelve months or less;
2. Those that do not meet the \$25,000 capitalization threshold set by the City, either individually or when "like" subscriptions are aggregated (e.g., multiple desktop licenses for the same subscription based program).

The City monitors contracts and agreements and identifies changes in circumstances that would require recognition of a SBITA asset and liability.

Pending Accounting Pronouncements

GASB Statement No. 101, titled *Compensated Absences*, was issued in June 2022. It revises the accounting and reporting guidance for liabilities related to compensated absences, such as vacation leave, sick leave, and other forms of paid time off provided by state and local governments. The statement is designed to simplify and improve consistency in recognizing and measuring these liabilities, and replaces the guidance provided in previous standards, such as GASB No. 16. The City has adopted this standard for the fiscal year ending June 30, 2025.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pending Accounting Pronouncements (Continued)

GASB Statement No. 102, *Certain Risk Disclosures*, was issued in 2023 to enhance the transparency of risks that governments face, particularly those that could impact their ability to acquire resources or manage expenditures effectively. This statement outlines disclosure requirements for specific risk categories, including concentrations (e.g., dependence on a single funding source) and constraints, and applies to risks that expose governments to heightened possibilities of loss or harm. The City has adopted this standard for the fiscal year ending June 30, 2025

GASB Statement No. 103, *Financial Reporting Model Improvements*, was issued on May 28, 2024. It focuses on enhancing the effectiveness of financial reporting for state and local governments by addressing limitations and application issues in the financial reporting model established under GASB Statement 34. The updates include clarifications and modifications in several areas, including removing repetitive explanations in the management's discussion and analysis (MD&A), reclassification of budgetary comparisons as required supplementary information, changes to proprietary fund statement reporting categories, and other items. The City anticipated adoption of this standard in the fiscal year ending June 30, 2026.

NOTE 2 DEPOSIT AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost or amortized cost, which approximates fair value. Each fund's portion of this pool is displayed as "Cash and Cash Equivalents" which also includes cash accounts that are separately held by some of the City's funds. Deposits are not collateralized nor are they required to be by State statute.

The City follows the requirements of the Utah Money Management Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and investment transactions. This Act requires the depositing of City funds in a "qualified depository".

The Act defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of June 30, 2024, \$163,328 in the City's bank balances are uninsured.

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 City funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Money Management 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

NOTE 2 DEPOSIT AND INVESTMENTS (Continued)

Investments (Continued)

conducted only through qualified depositories, certified dealers, 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.

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:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At June 30, 2024, the City had the following recurring fair value measurements.

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Investments by fair value level				
Debt securities:				
Utah Public Treasurer's Investment Fund	\$ 51,664,389	\$ -	\$ 51,664,389	\$ -
Total debt securities	<u>\$ 51,664,389</u>	<u>\$ -</u>	<u>\$ 51,664,389</u>	<u>\$ -</u>

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers’ Investment Fund: application of the June 30, 2024 fair value factor, as calculated by the Utah State Treasurer, to the City’s average daily balance in the Fund; and,

NOTE 2 DEPOSIT AND INVESTMENTS (Continued)

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 State’s 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 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 negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

As of June 30, 2024, the City’s investments had the following maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
PTIF Investments	\$ 51,664,389	\$ 51,664,389	-	-	-
	\$ 51,664,389	\$ 51,664,389	-	-	-

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 State’s Money Management Act, as previously discussed.

At June 30, 2024, the City’s investments had the following quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
PTIF Investments	\$ 51,664,389	-	-	-	\$ 51,664,389
	\$ 51,664,389	-	-	-	\$ 51,664,389

Concentration of Credit Risk

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% depending upon the total dollar amount held in the portfolio.

Custodial credit risk (investments) – For an investment, this 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 the possession of an outside party. The City does not have a formal policy for custodial credit risk.

The City’s investment in the Utah Public Treasurer’s Investment Fund has no custodial credit risk.

NOTE 2 DEPOSIT AND INVESTMENTS (Continued)

Credit Risk (Continued)

The following are the City’s cash on hand, on deposit, and investments as of June 30, 2024:

Cash on hand and on deposit:	
Cash on deposit	\$ 760,703
Petty cash	3,100
PTIF investment	<u>51,664,389</u>
Total cash and investments	<u><u>\$ 52,428,192</u></u>

Cash and investments are included in the accompanying combined statement of net position as follows:

Cash	\$ 23,303,870
Restricted Cash	<u>29,124,322</u>
Total cash and investments	<u><u>\$ 52,428,192</u></u>

NOTE 3 RESTRICTED BALANCES

The following table illustrates the amounts reported as restricted net position, restricted fund balance, and restricted cash. The variances between restricted cash and restricted net position occur under two occasions. First, if expenditures have been incurred for restricted purposes, but have yet to be paid with cash. Second, if the restriction is also offset by a corresponding debt such as the unspent bond proceeds.

	Restricted Cash	Restricted Net Position	Restricted Fund Balance
Water Bonds Debt Service Reserves	\$ 72,261	\$ 72,261	\$ 72,261
Sales Tax Bonds Debt Service Reserves	157,627	157,627	157,627
LBA Debt Service Reserves	77,965	77,965	77,965
Impact Fees	3,818,349	3,818,349	3,818,349
Leased Equipment	649,312	649,312	649,312
Construction projects	21,820,178	6,281,178	21,820,178
Redevelopment low income housing	896,864	896,864	896,864
Unspent B&C Road Money	1,631,764	1,631,764	1,631,764
	<u>\$ 29,124,321</u>	<u>\$ 13,585,321</u>	<u>\$ 29,124,321</u>

NOTE 4 ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for doubtful accounts receivable at June 30, 2024 for all funds is \$10,000.

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2024, is as follows:

	Balance June 30, 2023	Additions	Deletions	Transfers/ Reclassifications	Balance June 30, 2024
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 25,812,146	\$ -	\$ -	\$ -	\$ 25,812,146
Construction in progress	3,936,876	2,186,307	-	(2,755,334)	3,367,849
Total capital assets, not being depreciated	<u>29,749,021</u>	<u>2,186,307</u>	<u>-</u>	<u>(2,755,334)</u>	<u>29,179,995</u>
Capital assets, being depreciated					
Infrastructure	31,849,046	1,152,602	-	2,755,334	35,756,982
Buildings	8,042,561	-	-	-	8,042,561
Improvements other than buildings	8,943,889	292,479	-	-	9,236,369
Machinery, equipment, and vehicles	6,771,819	491,461	-	-	7,263,281
Total capital assets, being depreciated	<u>55,607,315</u>	<u>1,936,543</u>	<u>-</u>	<u>2,755,334</u>	<u>60,299,192</u>
Less accumulated depreciation for					
Infrastructure	(8,238,908)	(922,855)	-	-	(9,161,763)
Buildings	(3,638,587)	(272,930)	-	-	(3,911,517)
Improvements other than buildings	(2,751,675)	(246,594)	-	-	(2,998,269)
Machinery, equipment, and vehicles	(5,014,017)	(453,448)	-	-	(5,467,465)
Total accumulated depreciation	<u>(19,643,187)</u>	<u>(1,895,828)</u>	<u>-</u>	<u>-</u>	<u>(21,539,015)</u>
Total capital assets, being depreciated, net	<u>35,964,128</u>	<u>40,715</u>	<u>-</u>	<u>2,755,334</u>	<u>38,760,177</u>
Governmental activities capital assets, net	<u>\$ 65,713,149</u>	<u>\$ 2,227,023</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,940,172</u>

Depreciation expense was charged to functions/programs of the primary governmental activities as follows:

Governmental activities	
General government	\$ 260,092
Community development	2,782
Public safety	183,015
Highways and public improvements	1,132,891
Parks, recreation, and public property	<u>317,048</u>
Total depreciation expense - governmental activities	<u>\$ 1,895,828</u>

NOTE 5 CAPITAL ASSETS (Continued)

The Enterprise Funds' property, plant and equipment consist of the following at June 30, 2024:

	Balance June 30, 2023	Additions	Deletions	Transfers/ Reclassifications	Balance June 30, 2024
Business-type Activities					
Capital assets, not being depreciated					
Land	\$ 2,551,013	\$ -	\$ -	\$ -	\$ 2,551,013
Water rights	2,864,052	-	-	-	2,864,052
Construction in progress	2,220,018	506,089	-	(1,768,717)	957,390
Total capital assets, not being depreciated	7,635,083	506,089	-	(1,768,717)	6,372,455
Capital assets, being depreciated					
Buildings	4,718,704	73,317	-	-	4,792,021
Golf course	4,782,526	-	-	-	4,782,526
Water distribution system	31,774,353	1,016,170	-	1,768,717	34,559,240
Storm water system	8,996,788	30,000	-	-	9,026,788
Machinery, equipment, and vehicles	3,352,011	284,881	-	-	3,636,892
Total capital assets, being depreciated	53,624,381	1,404,368	-	1,768,717	56,797,466
Less accumulated depreciation for					
Buildings	(611,825)	(25,766)	-	-	(637,591)
Golf course	(2,710,406)	(97,908)	-	-	(2,808,314)
Water distribution system	(13,263,767)	(1,001,330)	-	-	(14,265,097)
Storm water system	(2,127,499)	(228,206)	-	-	(2,355,705)
Machinery, equipment, and vehicles	(2,215,342)	(247,513)	-	-	(2,462,855)
Total accumulated depreciation	(20,928,840)	(1,600,723)	-	-	(22,529,562)
Total capital assets, being depreciated, net	32,695,541	(196,355)	-	1,768,717	34,267,904
Business-type activities capital assets, net	\$ 40,330,624	\$ 309,734	\$ -	\$ -	\$ 40,640,359

Depreciation expense was charged to funds of the business-type activities as follows:

Business-type Activities	
Water	\$ 979,347
Secondary Water	103,276
Storm Water	258,605
Solid Waste	1,471
Golf Course	258,024
Total depreciation expense - business-type activities	<u>\$ 1,600,723</u>

NOTE 6 DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources represent a consumption of net assets that applies to future periods and that deferred inflows of resources represent a consumption of net assets that applies to future periods, and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports deferred charges on refunding and deferred outflows related to pensions in this category. Deferred charges on refunding are the result of a difference in carrying value of the new debt and the reacquisition price of the old debt. The amount is deferred and amortized over the shorter of the life of the refunded debt or the new debt. Deferred outflows related to pensions result from the differences in the estimates used to calculate the net pension liability and asset reported in each fund, as well as any pension contributions made after the pension actuarial measurement date and the end of the fiscal year.

NOTE 6 DEFERRED INFLOW OF RESOURCES (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows from property taxes and deferred inflows related to pensions in this category. Deferred inflows for property taxes are the result of property taxes levied during the fiscal year, but are unavailable and have not met time requirements to be recognized as revenue during the fiscal year. Deferred inflows related to pensions result from the differences in the estimates used to calculate the net pension liability and asset reported in each fund.

NOTE 7 DEVELOPER AND CUSTOMER DEPOSITS

General Fund deposits are principally deposits and construction bonds from developers that are held by the City until building projects receive the required City inspections and comply with all City ordinances.

Water fund deposits are customer deposits the City requires from all residential or commercial customers before they receive a water connection. The City discontinued collection of a water deposit fee in fiscal year 2022.

NOTE 8 LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2024:

	Long-term debt payable at June 30, 2023	Additions	Reductions	Long-term debt payable at 6/30/2024	Due within One Year
Governmental activities					
Series 2022 Sales Tax Revenue Bond	\$ 15,947,000	\$ -	\$ 408,000	\$ 15,539,000	\$ 422,000
Series 2021 Sales Tax Revenue Bond	2,625,000	-	295,000	2,330,000	305,000
Plus unamortized premium	281,817	-	35,228	246,589	35,227
Series 2019 Sales Tax Refunding	1,673,000	-	225,000	1,448,000	231,000
Series 2016 Lease Revenue Bond	443,000	-	105,000	338,000	108,000
2016 Public Works Lease	23,204	-	23,204	-	-
Compensated Absences	774,152	851,567	785,447	840,272	445,346
	<u>\$ 21,767,173</u>	<u>\$ 851,567</u>	<u>\$ 1,876,879</u>	<u>\$ 20,741,861</u>	<u>\$ 1,546,573</u>
Governmental activity long-term liabilities					
Business-type activities					
Series 2022 Water Refunding	\$ 1,766,000	\$ -	\$ 209,000	\$ 1,557,000	\$ 213,000
Series 2021 Sales Tax Revenue Bond	4,015,000	-	100,000	3,915,000	105,000
Plus unamortized premium	90,953	-	3,136	87,817	3,136
Eaglewood Development N/P	657,000	-	-	657,000	-
Compass Development N/P	51,073	-	51,073	-	-
2024 Equipment Lease	-	649,312	-	649,312	117,886
Compensated Absences	264,346	290,781	261,058	294,069	155,857
	<u>\$ 6,844,372</u>	<u>\$ 940,093</u>	<u>\$ 624,267</u>	<u>\$ 7,160,198</u>	<u>\$ 594,879</u>
Business-type activity long-term liabilities					

NOTE 8 LONG-TERM DEBT (Continued)

The General Fund and all Enterprise Funds typically liquidate the liability for compensated absences.

For the year ended June 30, 2024, \$853,740 of interest was charged as a direct expense on the *statement of activities* for Governmental activities and \$228,681 of interest was charged to expense in the Business-type Activities. No interest in Governmental or Business-Type Activities was capitalized for the year ended June 30, 2024.

Government-type activities:

Lease Revenue Bonds, Series 2016

In December of 2016 the City issued the Lease Revenue Bonds, Series 2016 with a par value of \$999,000. The bonds have an average interest cost of 1.49%. The bonds require interest payments due in June and December of each year until June 2026. Principal payments are due in December of each year until December 2026. These bonds were issued for the purpose of purchasing property for future park expansion and park construction. The bonds proceeds were received and will be liquidated in the Local Building Authority Fund.

The annual debt service requirements to maturity, including principal and interest, for the Series 2016 Lease Revenue Bonds, as of June 30, 2024, are as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	3.73%	108,000	12,607	120,607
2026	3.95%	113,000	9,085	122,085
2027	4.12%	117,000	4,820	121,820
Total		<u>\$ 338,000</u>	<u>\$ 26,513</u>	<u>\$ 364,513</u>

Sales Tax Revenue Bonds, Series 2019

On December 17, 2019 the City issued the Series 2019 Sales Tax Revenue Refunding Bonds. The purpose of the issuance was to refund the outstanding Series 2010 Sales Tax Revenue Bonds. The refunding provided a net present value savings of \$222,687, with an average annual cash flow savings of \$22,185. Principal payments on the bonds are due on June 15th of each year through 2030 and interest payments are due on June 15 and December 15 of each year through June 15, 2030. The bonds carry an annual interest rate of 1.82%.

The annual debt service requirements to maturity, including principal and interest, for the Series 2019- Sales Tax Refunding Revenue Bonds, as of June 30, 2024, are as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	1.82%	231,000	26,354	257,354
2026	1.82%	233,000	22,149	255,149
2027	1.82%	239,000	17,909	256,909
2028	1.82%	245,000	13,559	258,559
2029	1.82%	250,000	9,100	259,100
2030	1.82%	250,000	4,550	254,550
Total		<u>\$ 1,448,000</u>	<u>\$ 93,621</u>	<u>\$ 1,541,621</u>

Sales Tax Revenue Bonds Series 2021

On September 30, 2021, the City issued \$7,455,000 in Series 2021 Sales Tax Revenue Bonds for the purpose of financing the development of the Foxboro Wetlands Park (\$3,215,000), and improvements to the Eaglewood Golf Course (\$4,240,000). Principal payments on the bonds are due June 15 of each year and conclude in December 2031 for the Foxboro Park Project and December 2051 for the Eaglewood Golf Course

NOTE 8 LONG-TERM DEBT (Continued)

project. Interest payments are due on June 15 and December 15 of each year beginning December 15, 2021 and end on June 15, 2031 for the Foxboro Park Project and June 15, 2051 for the Eaglewood Golf Course project. Cost of issuance was \$80,000 with a reoffering premium of \$446,360 split between the projects based on the debt repayment schedule. This bond issuance was rated AA+ with an average interest cost of 1.908%.

The annual debt service requirements to maturity, including principal and interest, for the Series 2021 Sales Tax Revenue Bonds, as of June 30, 2024, are as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	3.00%	305,000	69,900	374,900
2026	3.00%	315,000	60,750	375,750
2027	3.00%	325,000	51,300	376,300
2028	3.00%	330,000	41,550	371,550
2029	3.00%	340,000	31,650	371,650
2030	3.00%	350,000	21,450	371,450
2031	3.00%	365,000	10,950	375,950
Total		<u>\$ 2,330,000</u>	<u>\$ 287,550</u>	<u>\$ 2,617,550</u>
Plus unamortized premium		<u>246,590</u>		
Total		<u>\$ 2,576,590</u>		

Sales Tax Revenue Bonds Series 2022

On December 7, 2022, the City issued \$16,692,000 in Series 2022 Sales Tax Revenue Bonds for the purpose of financing the cost of expansion and improvements to Hatch Park. Principal payments on the bonds are due June 15 of each year and conclude on June 15, 2047. Interest payments are due on June 15 and December 15 of each year beginning June 15, 2023 and ending on June 15, 2047. The bonds were issued through a direct placement with a cost of issuance of \$92,000. The bonds carry an average interest cost of 4.889% and are callable at any time.

The annual debt service requirements to maturity, including principal and interest, for the Series 2022 Sales Tax Revenue Bonds, as of June 30, 2024, are as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	3.30%	422,000	716,002	1,138,002
2026	3.40%	435,000	702,076	1,137,076
2027	3.50%	450,000	687,286	1,137,286
2028	3.60%	466,000	671,536	1,137,536
2029	3.70%	483,000	654,760	1,137,760
2030-2034	3.8% - 4.2%	2,708,000	2,981,211	5,689,211
2035-2039	4.3% - 4.7%	3,325,000	2,361,679	5,686,679
2040-2044	4.8% - 5.2%	4,185,000	1,501,551	5,686,551
2045-2047	5.3% - 5.7%	3,065,000	347,553	3,412,553
		<u>\$ 15,539,000</u>	<u>\$ 10,623,654</u>	<u>\$ 26,162,654</u>

NOTE 8 LONG-TERM DEBT (Continued)

2024 Golf Equipment and Street Sweeper Capital Lease

On June 26, 2024, the City entered into an equipment lease purchase in the amount of \$649,312. The lease is secured by capital equipment with a historical cost of \$649,312 and the City took possession of the equipment in July, August, and September of 2024. Payments are due in June of each year until 2029. The lease has an interest rate of 4.84%. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, are as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	4.84%	117,885	31,427	149,312
2026	4.84%	123,591	25,721	149,312
2027	4.84%	129,573	19,739	149,312
2028	4.84%	135,844	13,468	149,312
2029	4.84%	142,419	6,893	149,312
		<u>\$ 649,312</u>	<u>\$ 97,248</u>	<u>\$ 746,560</u>

Business-type activities:

Water Revenue Bonds, Series 2022

On March 8, 2022, the City issued the Series 2022 Water Refunding Bonds. The purpose of the issuance was to refund the outstanding Series 2010 Water Revenue Bonds. The refunding provided a net present value savings of 19.94%, or \$394,051, with an average annual cash flow savings of approximately \$48,354. Principal payments on the bonds are due on March 1st of each year through 2031 and interest payments are due on March 1st and September 1st of each year through 2031. The bonds carry an average coupon rate of 2.16%. The original debt funded projects in both the Water Fund and Storm Water Fund, therefore the amortization schedule below may be split using each fund's percentage of the outstanding debt as follows: Water 86.56% and Storm Water 13.44%.

The annual debt service requirements to maturity, including principal and interest for the Series 2022 Water Revenue Bonds at June 30, 2024 are as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	1.30%	213,000	32,341	245,341
2026	1.50%	212,000	29,572	241,572
2027	1.85%	217,000	26,392	243,392
2028	2.10%	221,000	22,378	243,378
2029	2.30%	225,000	17,737	242,737
2030	2.50%	230,000	12,562	242,562
2031	2.85%	239,000	6,812	245,812
		<u>\$ 1,557,000</u>	<u>\$ 147,792</u>	<u>\$ 1,704,792</u>

Sales Tax Revenue Bonds Series 2021

On September 30, 2021, the City issued \$7,455,000 in Series 2021 Sales Tax Revenue Bonds for the purpose of financing the development of the Foxboro Wetlands Park (\$3,215,000), and improvements to the Eaglewood Golf Course (\$4,240,000). Principal payments on the bonds are due June 15th of each year and conclude in December 2031 for the Foxboro Park Project, and December 2051 for the Eaglewood Golf Course project. Interest payments are due on June 15 and December 15 of each year beginning December 15, 2021 and ending on June 15, 2031 for the Foxboro Park Project and June 15, 2051 for the Eaglewood Golf Course project. Cost of issuance was \$80,000 with a reoffering premium of \$446,360 split between the projects based on the debt repayment schedule. This bond issuance was rated AA+ with an average interest cost of 1.908%.

The annual debt service requirements to maturity, including principal and interest, for the Series 2021 Sales Tax Revenue Bonds, as of June 30, 2024, are as follows:

NOTE 8 LONG-TERM DEBT (Continued)

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	3.00%	105,000	90,538	195,538
2026	3.00%	105,000	87,388	192,388
2027	3.00%	110,000	84,238	194,238
2028	3.00%	115,000	80,938	195,938
2029	3.00%	115,000	77,488	192,488
2030-2034	2% - 3%	635,000	336,938	971,938
2035-2039	2.00%	705,000	266,738	971,738
2040-2044	2.125%-2.25%	780,000	191,319	971,319
2045-2049	2.25%	870,000	101,813	971,813
2050-2051	2.25%	375,000	12,713	387,713
		3,915,000	\$ 1,330,106	\$ 5,245,106
Plus unamortized premium		87,816		
Total		\$ 4,002,816		

Golf Course Note Payable – Eaglewood Development LTD

On December 18, 1992 the City entered into a non-interest bearing note payable agreement with Eaglewood Development LTD where the City borrowed \$657,000. The City shall pay a lender an amount equal to 100% of all cash flow until the lender shall have been paid an amount equal to 5% of the total participation net income which has accrued from the date hereof through the end of the fiscal year for which the payment is being made and which has not been previously paid to the lender. The City's obligation to make payments to the lender shall commence at such time as the City shall have accumulated in the golf enterprise fund an unrestricted net position balance the amount of \$175,000, which amount shall include any interest earned on funds deposited in the enterprise reserve fund. Prior to the accumulation of \$175,000, 100% of the cash flow shall be deposited in the enterprise fund. In any fiscal year the cash flow is not available to permit actual payment to the lender of amount required to be paid pursuant to the above stipulations, then payment of such amount shall be deferred until such time as cash flow shall be available to make payments with zero interest. The annual due date of all payments shall be 90 days after the close of each fiscal year. The computation of payment on this note is not determinable as it is based on net income. The golf course had an operating gain for the current year, but unrestricted net position remains negative.

Eaglewood Village, Inc. (DBA Compass Development Group) Note Payable

On November 16, 2010 the City entered into a note payable agreement with Compass Development Group for the construction of storm drain improvements within the storm drainage service area #2 (Eaglewood Village). In exchange for the storm drain improvements, the City committed to a note of \$973,468 that would be repaid with storm drain impact fees as the fees are collected from that respective development area. The agreement stipulates that the City must remit to the developer 54.2 percent of the impact fees collected from service area #2 and that from the time the fees are collected to when they are remitted, they bear interest at a rate of 6 percent. The City concluded this obligation in fiscal year 2024, making a final contribution of \$51,073.

NOTE 9 INTERGOVERNMENTAL REVENUE

Intergovernmental revenue for the year ended June 30, 2024 consists of the following:

Revenue Source	Amount	% of Total
Utah Class C Road Allotment	\$ 930,137	51.82%
Intergovernmental -Fuel Tax	618,216	34.44%
Intergovernmental -UDOT	69,292	3.86%
Intergovernmental - Parks Projects	26,745	1.49%
Utah Liquor Law Enforcement Grant	28,186	1.57%
Department of Justice Grant	95,407	5.32%
ARPA State and Local Fiscal Recovery Funds	27,000	1.50%
	\$ 1,794,983	100.00%
Governmental Funds	\$ 1,794,983	
Proprietary Funds	-	
	\$ 1,794,983	

Of the \$1,794,983 in total intergovernmental revenues, all were reported in the proprietary funds (compared to \$3,249,317 in governmental funds in the prior fiscal year).

NOTE 10 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; and natural disasters. The City maintains commercial liability and property insurance for all major programs. There have been no significant reductions in insurance coverage. The City makes monthly premium payments to the insurance provider to cover any claims on workers' compensation.

Settlement amounts have not exceeded insurance coverage for the prior four years. The table on the following page illustrates the coverage limits and deductibles for the various areas of risks that the City is exposed to:

	Coverage Limits	Deductible
General Liability	5,000,000	-
Auto Bodily Injury	5,000,000	-
Auto Property Damage	5,000,000	-
Underinsured Motorist	100,000	-
Uninsured Motorist	100,000	-
Building	17,942,367	1,000
Building Contents	5,214,750	1,000
Contractors Equipment	2,070,243	1,000
Equipment in the Open	1,043,645	1,000
Mobile Equipment	45,640	1,000
Sewer/Water Buildings	13,851,000	1,000
Sewer/Water Building Contents	1,955,400	1,000
Position Bond	1,000,000	-

* Deductible is per incidence

NOTE 11 INTERFUND TRANSACTIONS

At June 30, 2024, the City’s internal balances due to or from other activities were as follows:

	Due from	
	Enterprise	
	Golf	
Due To	Fund	Total
Governmental:		
Capital Projects Fund	\$2,921,931	\$2,921,931
Total	\$2,921,931	\$2,921,931

The Golf Fund payable represents transferred subsidies made to the Golf Fund from fiscal years 1994 through 2020. The City anticipates establishing a repayment schedule in a future fiscal year.

In addition to the above balance, transfers were made which will not be repaid. These transfers occurred primarily to finance programs that are accounted for in one fund but with resources collected in other funds in accordance with budgetary requirements, including:

- The General Fund transferred funds to the Roadway Development Fund unrestricted roads projects.
- The Redevelopment Agency transferred funds to the General Fund as reimbursement for administrative expenditures, and transfers to the Housing Fund to restrict balances for eligible low income housing projects.
- The Police Facilities Fund transferred its share of the capital cost of the new building to the Capital Projects Fund.
- The transfer from the Park fund to the Local Building Authority funded a portion of the annual debt payment.
- The transfer from the RDA to the RAP tax fund was to fund a portion of the annual debt payment.

Interfund transfers for the year ended June 30, 2024 are listed below.

	Transfer - In	Transfer - Out
Governmental:		
General Fund	\$ 329,362	\$ 705,000
Redevelopment Agency	-	790,918
Housing Agency	196,387	-
Building Authority Fund	90,000	-
Debt Service Fund	460,000	1,003,759
Capital Projects Fund	11,025	275,928
Parks Capital Fund	1,279,687	90,000
Police Facilities Fund	-	11,025
Roadway Devel. Fund	705,000	194,832
	\$ 3,071,462	\$ 3,071,462

NOTE 12 CONTRACT AGREEMENTS

The City participates in the following special districts to provide services to its residents:

- Davis County Solid Waste Management and Energy Recovery Special Service District
- South Davis Metro Fire Agency
- South Davis County Sewer District
- South Davis Recreation District

NOTE 12 CONTRACT AGREEMENTS (Continued)

The Solid Waste Management District, Sewer District and Recreation District charge users directly for services received. During the current fiscal year, the City paid the South Davis Metro Fire Agency \$1,774,402 for fire services.

The City has representatives on the governing boards of the above districts but does not have total or final control over the fiscal or administrative activities of these entities. Payments or services to these entities are included in the expenditures of the City’s general fund. Separate financial statements are prepared by these districts and are publicly available through their respective offices.

NOTE 13 REDEVELOPMENT AGENCY OF THE CITY OF NORTH SALT LAKE

In accordance with Utah State Law, the City makes the following disclosures relative to the North Salt Lake City Redevelopment Agency (RDA). The RDA collected tax increment and distributed funds as follows:

- Project Area 1 – Eaglewood Village
 - Increment and interest collected: \$732,590
 - Development expenditures: \$690,055
 - Administrative fee transferred to General Fund: \$36,337

- Project Area 2 – Redwood Road
 - Increment and interest collected: \$1,650,301
 - Development expenditures: \$925,785
 - Administrative fee transferred to General Fund: \$69,256
 - Transfer to Housing Fund for low-income housing projects: \$138,511

- Project Area 3 – Highway 89
 - Increment and interest collected: \$586,280
 - Development expenditures: \$434,072
 - Administrative fee transferred to General Fund: \$28,938
 - Transfer to Housing Fund for low-income-housing projects: \$57,876

NOTE 14 SUBSEQUENT EVENTS

The City has the following subsequent events to report:

Significant commitment of governmental fund balances to the Hatch Park expansion project. In December 2022, the City bonded for \$16,692,000 in funds in order to expand and revitalize Hatch Park. At the time, the City had already made a significant commitment to the project, engaging a steering committee and investing in design costs and land acquisition to accommodate the expansion. While the scope of the project has not changed, the cost to complete the original plan has increased dramatically. On October 1, 2024, a public hearing was held to receive input on amending the fiscal year 2025 budget to allocate \$3,000,000 in fund balance reserves to project costs. Following the public hearing, the City Council adopted Resolution 2024-33R authorizing the transfer of \$1,500,000 in General Fund Balance and \$1,500,000 in Capital Projects Fund Balance to the Park Development Fund to complete the project. It is anticipated that these transfers will occur sometime in 2025 as the bonded funds are expended and the project approaches completion. It is expected this activity will reduce the general fund balance from 33.3% to 22.1% of the maximum allowable amount of 35% of current years revenues.

NOTE 15 PENSION PLAN

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.

Public Safety Retirement System (Public Safety System) is a cost-sharing, multiple-employer 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;

Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters 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.

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

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

NOTE 15 PENSION PLAN (Continued)

Benefits Provided:

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

Summary of Benefits by System

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%
Public Safety System	Highest 3 years	20 years, any age 10 years, age 60 4 years, age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Tier 2 Public Employees System	Highest 5 years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65*	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighters System	Highest 5 years	25 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65*	1.50% per year to June 30, 2020; 2.00% per year July 1, 2020 to present	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.

NOTE 15 PENSION PLAN (Continued)

Contribution Rate Summary

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

	Tier 1 - DB System			Tier 2 - DB Hybrid System			Tier 2 - 401(k) Option				
	Employee	Employer	ER 401(k)	Tier 2 Fund	Employee	Employer	ER 401(k)	Tier 2 Fund	Employee	Employer	ER 401(k)
Noncontributory System											
15 - Local Government	-	17.97	-	111	-	16.01	0.18	211	-	6.19	10.00
Public Safety Retirement System Noncontributory											
43 Other Dev A with 2.5% COLA	-	34.04	-	122	2.59	25.83	-	222	-	11.83	14.00

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

Contribution Summary

For fiscal year ended June 30, 2024, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 466,907	\$ -
Public Safety System	519,802	-
Tier 2 Public Employees System	262,726	-
Tier 2 Public Safety and Firefighter	195,812	19,634
Tier 2 DC Only System	11,220	-
Tier 2 DC Only Public Safety and Firefighter	9,213	-
Total Contributions	\$ 1,465,680	\$ 19,634

Contributions reported are the URS Board-approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

NOTE 15 PENSION PLAN (Continued)

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

At June 30, 2024, we reported a net pension asset of \$0 and a net pension liability of \$2,030,810.

Measurement Date: December 31, 2023

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2022	Change (Decrease)
Noncontributory System	\$ -	\$ 604,768	0.2607248%	0.2631296%	-0.0024048%
Public Safety System	\$ -	\$ 1,248,023	0.8726436%	0.8771052%	-0.0044616%
Tier 2 Public Employees System	\$ -	\$ 110,078	0.0565554%	0.0611624%	-0.0046070%
Tier 2 Public Safety and Firefighter System	\$ -	\$ 67,940	0.1803601%	0.1999402%	-0.0195801%
Total Net Pension Asset/Liability	<u>\$ -</u>	<u>\$ 2,030,809</u>			

The net pension asset and liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2024, we recognized pension expense of \$1,185,074.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 712,525	\$ 6,441
Changes in assumptions	\$ 403,653	\$ 1,481
Net difference between projected and actual earnings on pension plan investments	\$ 394,847	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 22,671	\$ 5,840
Contributions subsequent to the measurement date	\$ 714,153	\$ -
Total	<u>\$ 2,247,849</u>	<u>\$ 13,762</u>

\$714,153 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, 2023.

NOTE 15 PENSION PLAN (Continued)

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

<u>Year ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2024	\$ 486,052
2025	\$ 303,754
2026	\$ 757,430
2027	\$ (147,658)
2028	\$ 17,640
Thereafter	\$ 102,718

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

For the year ended June 30, 2024, we recognized pension expense of \$ 420,649.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 423,466	\$ -
Changes in assumptions	\$ 181,478	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 196,665	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 768	\$ 1,147
Contributions subsequent to the measurement date	\$ 226,279	\$ -
Total	<u>\$ 1,028,656</u>	<u>\$ 1,147</u>

\$ 226,279 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, 2023.

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

<u>Year ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2024	\$ 264,741
2025	\$ 249,345
2026	\$ 369,744
2027	\$ (82,600)
2028	\$ -
Thereafter	\$ -

NOTE 15 PENSION PLAN (Continued)

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, we recognized pension expense of \$ 533,960.

At June 30, 2024, 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	\$ 217,472	\$ -
Changes in assumptions	\$ 109,665	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 178,642	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 1,153	\$ -
Contributions subsequent to the measurement date	\$ 247,905	\$ -
Total	\$ 754,837	\$ -

\$ 247,905 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, 2023.

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

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2024	\$ 204,421
2025	\$ 31,316
2026	\$ 348,908
2027	\$ (77,713)
2028	\$ -
Thereafter	\$ -

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

For the year ended June 30, 2024, we recognized pension expense of \$ 143,786.

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

NOTE 15 PENSION PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,257	\$ 1,803
Changes in assumptions	\$ 63,008	\$ 87
Net difference between projected and actual earnings on pension plan investments	\$ 12,430	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 14,620	\$ 2,340
Contributions subsequent to the measurement date	\$ 138,141	\$ -
Total	\$ 263,456	\$ 4,230

\$ 138,141 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, 2023.

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

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2024	\$ 10,402
2025	\$ 14,786
2026	\$ 25,377
2027	\$ 8,297
2028	\$ 11,280
Thereafter	\$ 50,943

Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, we recognized pension expense of \$ 86,679.

At June 30, 2024, 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	\$ 36,330	\$ 4,638
Changes in assumptions	\$ 49,502	\$ 1,394
Net difference between projected and actual earnings on pension plan investments	\$ 7,110	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 6,131	\$ 2,353
Contributions subsequent to the measurement date	\$ 101,827	\$ -
Total	\$ 200,900	\$ 8,385

NOTE 15 PENSION PLAN (Continued)

\$ 101,827 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, 2023.

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

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2024	\$ 6,488
2025	\$ 8,306
2026	\$ 13,400
2027	\$ 4,357
2028	\$ 6,361
Thereafter	\$ 51,775

Actuarial Assumptions

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

Inflation	2.50 percent
Salary increases	3.5 - 9.5 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted for an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale using a base year of 2020. The mortality assumption for active members in the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

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

NOTE 15 PENSION PLAN (Continued)

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	35.00%	6.87%	2.40%
Debt Securities	20.00%	1.54%	0.31%
Real Assets	18.00%	5.43%	0.98%
Private Equity	12.00%	9.80%	1.18%
Absolute Return	15.00%	3.86%	0.58%
Cash and Cash Equivalents	0.00%	0.24%	0.00%
Totals	100.00%		5.45%
	Inflation		2.50%
	Expected arithmetic nominal return		7.95%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% 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.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.85 percent) or 1 percentage point higher (7.85 percent) than the current rate:

System	1% Decrease or 5.85%	Discount Rate of 6.85%	1% Increase or 7.85%
Noncontributory System	\$ 3,138,713	\$ 604,768	\$ (1,517,240)
Public Safety System	\$ 3,915,956	\$ 1,248,023	\$ (926,176)
Tier 2 Public Employees System	\$ 378,213	\$ 110,078	\$ (97,860)
Tier 2 Public Safety and Firefighter	\$ 218,906	\$ 67,940	\$ (52,835)
Total Contributions	\$ 7,651,788	\$ 2,030,809	\$ (2,594,111)

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

NOTE 15 PENSION PLAN (Continued)

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.

CITY OF NORTH SALT LAKE participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- *401(k) Plan
- *457(b) Plan
- *Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30th, were as follows:

	2024	2023	2022
401(k) Plan			
Employer Contributions	\$ 364,894	\$ 307,283	\$ 276,370
Employee Contributions	\$ 119,764	\$ 106,180	\$ 78,161
457 Plan			
Employer Contributions	\$ 17,388	\$ 15,574	\$ 16,536
Employee Contributions	\$ 24,487	\$ 21,482	\$ 25,347
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 68,405	\$ 51,931	\$ 49,519

Changes in Assumptions:

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NORTH SALT LAKE
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL- GENERAL FUND
For The Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with final budget</u>
Revenues				
Taxes:				
Property	\$ 3,062,723	\$ 3,062,723	\$ 3,199,191	\$ 136,468
Sales and use	6,760,000	6,760,000	6,591,278	(168,722)
Franchise	1,951,000	1,951,000	2,224,060	273,060
Licenses and permits	235,000	235,000	252,298	17,298
Intergovernmental revenues	121,000	148,000	150,593	2,593
Charges for services	775,600	541,600	489,249	(52,351)
Fines and forfeitures	350,000	400,000	414,021	14,021
Interest	90,000	250,000	257,095	7,095
Miscellaneous	52,000	52,000	151,570	99,570
Total Revenues	<u>13,397,323</u>	<u>13,400,323</u>	<u>13,729,355</u>	<u>329,032</u>
Expenditures				
Current:				
General government:				
Legislative	309,200	309,200	279,529	29,671
Administrative	1,081,398	1,102,398	1,063,532	38,866
Buildings	119,000	219,000	216,593	2,407
Judicial	419,200	419,200	393,540	25,660
Total general government	<u>1,928,798</u>	<u>2,049,798</u>	<u>1,953,194</u>	<u>96,604</u>
Public safety:				
Police department	5,762,014	5,794,889	5,533,845	261,044
Fire department	1,775,000	1,775,000	1,774,402	598
Total public safety	<u>7,537,014</u>	<u>7,569,889</u>	<u>7,308,247</u>	<u>261,642</u>
Public works:				
Streets department	1,778,800	1,893,800	1,862,335	31,465
Engineering	128,100	128,100	113,582	14,518
Total public works	<u>1,906,900</u>	<u>2,021,900</u>	<u>1,975,917</u>	<u>45,983</u>
Community Development				
Planning and zoning	769,965	769,965	574,950	195,015
Building inspection	291,505	291,500	284,774	6,726
Total community development	<u>1,061,470</u>	<u>1,061,465</u>	<u>859,724</u>	<u>201,741</u>
Parks	1,390,300	1,460,300	1,434,347	25,953
Total Expenditures	<u>\$ 13,824,482</u>	<u>\$ 14,163,352</u>	<u>\$ 13,531,429</u>	<u>\$ 631,923</u>

CITY OF NORTH SALT LAKE
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL- GENERAL FUND
For The Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (427,159)	\$ (763,029)	\$ 197,926	\$ 960,955
Other Financing Sources (Uses)				
Appropriations from fund balance	-	-	-	-
Transfer in	332,198	332,198	329,362	2,836
Transfer out	(705,000)	(705,000)	(705,000)	-
Contributions	55,000	95,000	82,300	12,700
Total Other Financing Sources (Uses)	<u>(317,802)</u>	<u>(277,802)</u>	<u>(293,338)</u>	<u>15,536</u>
Net Change in Fund Balance	<u>\$ (744,961)</u>	<u>\$ (1,040,831)</u>	<u>(95,412)</u>	<u>\$ 976,491</u>
Fund Balance, Beginning			<u>4,761,738</u>	
Fund Balance, Ending			<u>\$ 4,666,326</u>	

CITY OF NORTH SALT LAKE
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL- REDEVELOPMENT AGENCY FUNDS
For The Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,619,750	\$ 2,716,750	\$ 2,690,607	\$ (26,143)
Interest	57,000	290,000	318,570	28,570
Total Revenues	<u>2,676,750</u>	<u>3,006,750</u>	<u>3,009,177</u>	<u>2,427</u>
Expenditures				
Improvements	-	3,356,752	46,858	3,309,894
Community	1,145,188	1,236,788	1,169,804	66,984
Principal	295,000	295,000	295,000	-
Interest	78,750	78,750	78,750	-
Total Expenditures	<u>1,518,938</u>	<u>4,967,290</u>	<u>1,590,412</u>	<u>3,376,878</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,157,812</u>	<u>(1,960,540)</u>	<u>1,418,765</u>	<u>3,379,305</u>
Other Financing Sources (Uses)				
Transfer out	(789,963)	(729,963)	(790,918)	(60,955)
Total Other Financing Sources (Uses)	<u>(789,963)</u>	<u>(729,963)</u>	<u>(790,918)</u>	<u>(60,955)</u>
Net Change in Fund Balance	<u>\$ (789,963)</u>	<u>\$ (729,963)</u>	627,847	<u>\$ (60,955)</u>
Fund Balance, Beginning			<u>5,788,425</u>	
Fund Balance, Ending			<u>\$ 6,416,272</u>	

CITY OF NORTH SALT LAKE
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL- DEBT SERVICE FUND
For The Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
Revenues				
Sales taxes	\$ 695,000	\$ 695,000	\$ 616,373	\$ (78,627)
Interest	300,000	885,000	969,676	84,676
Total Revenues	995,000	1,580,000	1,586,049	6,049
Expenditures				
Debt service:				
Principal	633,000	633,000	633,000	-
Interest	755,412	755,412	759,507	(4,095)
Fees	9,000	9,000	3,100	5,900
Total Expenditures	1,397,412	1,397,412	1,395,607	1,805
Excess (Deficiency) of Revenues Over (Under) Expenditures	(402,412)	182,588	190,442	7,854
Other Financing Sources (Uses)				
Transfer In	400,000	460,000	460,000	-
Transfer Out	(5,100,000)	(5,100,000)	(1,003,759)	4,096,241
Proceeds from Borrowing	-	-	-	-
Total Other Financing Sources (Uses)	(4,700,000)	(4,640,000)	(543,759)	4,096,241
Net Change in Fund Balance	\$ (5,102,412)	\$ (4,457,412)	(353,317)	\$ 4,104,095
Fund Balance, Beginning			17,428,721	
Fund Balance, Ending			\$ 17,075,404	

CITY OF NORTH SALT LAKE
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL- CAPITAL PROJECTS FUND
For The Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 132,000	\$ 432,000	\$ 452,222	\$ 20,222
Total Revenues	<u>132,000</u>	<u>432,000</u>	<u>452,222</u>	<u>20,222</u>
Expenditures				
General government	-	-	-	-
Public safety	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>132,000</u>	<u>432,000</u>	<u>452,222</u>	<u>20,222</u>
Other Financing Sources (Uses)				
Transfer in	11,025	11,025	11,025	-
Transfer out	-	(620,278)	(275,928)	344,350
Total Other Financing Sources (Uses)	<u>11,025</u>	<u>(609,253)</u>	<u>(264,903)</u>	<u>344,350</u>
Net Change in Fund Balance	<u>\$ 143,025</u>	<u>\$ (177,253)</u>	187,319	<u>\$ 364,572</u>
Fund Balance, Beginning			<u>8,474,915</u>	
Fund Balance, Ending			<u>\$ 8,662,234</u>	

CITY OF NORTH SALT LAKE
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCE-BUDGET AND ACTUAL- ROADWAY DEVELOPMENT FUND
For The Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
Revenues				
Impact fees	\$ 81,630	\$ 37,630	\$ 28,279	\$ (9,351)
Intergovernmental revenues	2,106,550	4,404,067	1,617,645	(2,786,422)
Interest	125,500	412,000	417,632	5,632
Miscellaneous	-	-	41,486	41,486
Total Revenues	2,313,680	4,853,697	2,105,042	(2,748,655)
Expenditures				
Highways and public improvements	4,922,000	10,658,101	2,628,301	8,029,800
Total Expenditures	4,922,000	10,658,101	2,628,301	8,029,800
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,608,320)	(5,804,404)	(523,259)	5,281,145
Other Financing Sources (Uses)				
Transfer in	705,000	705,000	705,000	-
Transfer Out	(201,200)	(201,200)	(194,832)	6,368
Total Other Financing Sources (Uses)	503,800	503,800	510,168	6,368
Net Change in Fund Balance	\$ (2,104,520)	\$ (5,300,604)	(13,091)	\$ 5,287,513
Fund Balance, Beginning			6,002,189	
Fund Balance, Ending			\$ 5,989,098	

CITY OF NORTH SALT LAKE
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
The Year Ended June 30, 2024

with a measurement date of December 31, 2022

Last 10 fiscal years*

		<u>Noncontributory System</u>	<u>Public Safety System</u>	<u>Tier 2 Public Employees System</u>	<u>Tier 2 Public Safety and Firefighters System</u>
Proportion of the net pension liability (asset)	2024	0.2607248%	0.8726436%	0.0565554%	0.1803601%
	2023	0.2631296%	0.8771052%	0.0611624%	0.1999402%
	2022	0.2650405%	0.8241249%	0.05246320%	0.1671625%
	2021	0.2608962%	0.7666225%	0.05184120%	0.1677735%
	2020	0.2593909%	0.7576692%	0.0496579%	0.1849945%
	2019	0.2515451%	0.7530044%	0.0499722%	0.1896608%
	2018	0.2446027%	0.6765509%	0.0493908%	0.2255066%
	2017	0.2530812%	0.6639816%	0.0492092%	0.1400266%
	2016	0.2504222%	0.6491617%	0.0506753%	0.1696343%
	2015	0.2382980%	0.6418601%	0.0632276%	0.1823782%
Proportion share of the net pension liability (asset)	2024	\$ 604,768	\$ 1,248,023	\$ 110,078	\$ 67,490
	2023	\$ 450,675	\$ 1,134,163	\$ 66,599	\$ 16,680
	2022	\$ (1,517,915)	\$ (669,307)	\$ (22,204)	\$ (8,449)
	2021	\$ 133,825	\$ 636,152	\$ 7,456	\$ 15,048
	2020	\$ 977,610	\$ 1,216,527	\$ 11,168	\$ 17,401
	2019	\$ 1,852,309	\$ 1,937,168	\$ 21,402	\$ 4,752
	2018	\$ 1,071,678	\$ 1,061,277	\$ 4,355	\$ (2,609)
	2017	\$ 1,625,091	\$ 1,347,402	\$ 5,489	\$ (1,216)
	2016	\$ 1,417,011	\$ 1,162,812	\$ (111)	\$ (2,478)
	2015	\$ 1,034,746	\$ 807,192	\$ (1,916)	\$ (2,698)
Covered employee payroll	2024	\$ 2,444,734	\$ 1,617,834	\$ 1,462,152	\$ 683,394
	2023	\$ 2,349,398	\$ 1,561,121	\$ 1,331,508	\$ 615,172
	2022	\$ 2,331,039	\$ 1,386,571	\$ 973,023	\$ 399,748
	2021	\$ 2,313,474	\$ 1,282,892	\$ 829,034	\$ 331,582
	2020	\$ 2,300,509	\$ 1,202,620	\$ 689,669	\$ 304,893
	2019	\$ 2,164,105	\$ 1,220,761	\$ 583,665	\$ 254,080
	2018	\$ 2,084,445	\$ 1,051,180	\$ 483,185	\$ 238,078
	2017	\$ 2,184,033	\$ 1,046,065	\$ 403,553	\$ 115,694
	2016	\$ 2,099,285	\$ 1,044,487	\$ 327,389	\$ 100,973
	2015	\$ 1,990,364	\$ 986,989	\$ 310,185	\$ 75,315

CITY OF NORTH SALT LAKE
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
The Year Ended June 30, 2024

Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2024	24.74%	77.14%	7.53%	9.94%
	2023	19.18%	72.65%	5.00%	2.71%
	2022	-65.12%	-48.27%	-2.28%	-2.11%
	2021	5.78%	49.59%	0.90%	4.54%
	2020	42.50%	101.16%	1.62%	5.71%
	2019	85.59%	158.69%	3.67%	1.87%
	2018	51.41%	100.96%	0.90%	-1.10%
	2017	74.41%	128.81%	1.36%	-1.05%
	2016	67.50%	115.76%	-0.03%	2.45%
	2015	52.00%	81.80%	-0.60%	-3.60%
Plan fiduciary net position as a percentage of the total pension liability	2024	96.90%	93.44%	89.58%	89.10%
	2023	97.50%	93.60%	92.30%	96.40%
	2022	108.70%	104.20%	103.80%	102.8%
	2021	99.20%	95.50%	98.30%	93.10%
	2020	93.70%	90.90%	96.50%	89.60%
	2019	87.00%	84.70%	90.80%	95.60%
	2018	91.90%	90.20%	97.40%	103.00%
	2017	87.30%	86.50%	95.10%	103.60%
	2016	87.80%	87.10%	100.20%	110.70%
	2015	90.20%	90.50%	103.50%	120.50%

See accompanying notes to required supplementary information.

**CITY OF NORTH SALT LAKE
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEM**

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contributions deficiency (excess)	Covered Employee Payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2016	\$ 386,831	\$ 386,831	\$ -	\$ 2,174,060	17.79%
	2017	392,635	392,635	-	2,251,079	17.44%
	2018	386,946	386,946	-	2,154,015	17.96%
	2019	406,000	406,000	-	2,273,509	17.86%
	2020	420,807	420,807	-	2,341,779	17.97%
	2021	421,996	421,996	-	2,344,577	18.00%
	2022	422,366	422,366	-	2,298,991	18.37%
	2023	413,538	413,538	-	2,313,719	17.87%
	2024	466,907	466,907	-	2,612,974	17.87%
Public Safety System	2016	\$ 320,818	\$ 320,818	\$ -	\$ 1,005,185	31.92%
	2017	339,377	339,377	-	1,105,641	30.70%
	2018	345,508	345,508	-	1,126,936	30.66%
	2019	377,813	377,813	-	1,243,983	30.37%
	2020	381,717	381,717	-	1,214,216	31.44%
	2021	408,230	408,230	-	1,342,250	30.41%
	2022	432,769	432,769	-	1,438,056	30.09%
	2023	467,116	467,116	-	1,554,107	30.06%
	2024	519,802	519,802	-	1,715,609	30.30%
Tier 2 Public Employees System*	2016	\$ 55,165	\$ 55,165	\$ -	\$ 373,487	14.77%
	2017	63,238	63,238	-	424,134	14.91%
	2018	82,623	82,623	-	546,807	15.11%
	2019	92,055	92,055	-	600,656	15.33%
	2020	126,963	126,963	-	811,650	15.64%
	2021	133,976	133,976	-	847,946	15.80%
	2022	178,704	178,704	-	1,112,035	16.07%
	2023	227,588	227,588	-	1,422,102	16.00%
	2024	267,726	262,726	-	1,642,454	16.00%
Tier 2 Public Safety and Firefighter System*	2016	\$ 23,489	\$ 23,489	\$ -	\$ 104,394	22.50%
	2017	42,782	42,782	-	190,866	22.41%
	2018	55,789	55,789	-	247,935	22.50%
	2019	60,546	60,546	-	266,339	22.73%
	2020	72,952	72,952	-	317,335	22.99%

**CITY OF NORTH SALT LAKE
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEM**

2021	88,295	88,295	-	340,943	25.90%
2022	133,714	133,714	-	517,670	25.83%
2023	166,693	166,693	-	645,349	25.83%
2024	195,812	195,812	-	758,079	25.83%

**Tier 2 Public
Employees DC Only
System***

2016	\$ 8,869	\$ 8,869	\$ -	\$ 138,174	6.42%
2017	8,898	8,898	-	149,806	5.94%
2018	9,128	9,128	-	153,241	5.96%
2019	4,591	4,591	-	85,419	5.37%
2020	3,321	3,321	-	66,836	4.97%
2021	6,431	6,431	-	109,627	5.87%
2022	8,752	8,752	-	130,817	6.69%
2023	10,995	10,995	-	177,625	6.19%
2024	11,220	11,220	-	181,259	6.19%

**Tier 2 Public Safety
and Firefighter
DC Only
System***

2021	\$ -	\$ -	\$ -	\$ -	0.00%
2022	-	-	-	-	0.00%
2023	5,662	5,662	-	47,857	11.83%
2024	9,213	9,213	-	77,880	11.83%

* 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 8.1b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

**CITY OF NORTH SALT LAKE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
UTAH RETIREMENT SYSTEM**

Changes in Assumptions:

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

SUPPLEMENTARY INFORMATION

CITY OF NORTH SALT LAKE
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

	Housing Agency	Local Building Authority	Park Development	Police Facilities	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	\$ -	\$ 155,418	\$ 268,046	\$ -	423,464
Prepays	-	-	-	-	-
Intergovernmental Receivable	-	-	26,745	-	26,745
Restricted cash and cash equivalents	896,864	77,965	659,368	150,447	1,784,644
Total Assets	\$ 896,864	\$ 233,383	\$ 954,159	\$ 150,447	2,234,853
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 18	\$ 59,593	\$ -	59,611
Total Liabilities	-	18	59,593	-	59,611
Fund Balances					
Restricted:					
Impact fees	-	-	70	150,447	150,517
Debt service	-	-	-	-	-
Local Building Authority	-	77,965	-	-	77,965
Construction Projects - RAP Tax	-	-	659,298	-	659,298
Housing Restriction	896,864	-	-	-	896,864
Assigned	-	155,400	235,198	-	390,598
Total Fund Balances	896,864	233,365	894,566	150,447	2,175,242
Total Liabilities and Fund Balances	\$ 896,864	\$ 233,383	\$ 954,159	\$ 150,447	2,234,853

CITY OF NORTH SALT LAKE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2024

	Housing Agency	Local Building Authority	Park Development	Police Facilities	Total Nonmajor Governmental Funds
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Rental income	-	98,781	-	-	98,781
Intergovernmental	-	-	26,745	-	26,745
Impact fees	-	-	22,000	3,502	25,502
Miscellaneous	-	-	-	-	-
Interest	38,832	11,738	46,747	7,797	105,114
Total Revenues	38,832	110,519	95,492	11,299	256,142
Expenditures					
Community development	-	37,377	-	-	37,377
Parks, recreation, and public property	-	-	1,422,232	-	1,422,232
Debt service:					
Principal	-	105,000	-	-	105,000
Interest	-	15,097	-	-	15,097
Total Expenditures	-	157,474	1,422,232	-	1,579,706
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,832	(46,955)	(1,326,740)	11,299	(1,323,564)
Other Financing Sources (Uses)					
Transfer in	196,387	90,000	1,279,688	-	1,566,075
Transfer out	-	-	(90,000)	(11,025)	(101,025)
Proceeds from Borrowing	-	-	-	-	-
Total Other Financing Sources (Uses)	196,387	90,000	1,189,688	(11,025)	1,465,050
Net Change in Fund Balances	235,219	43,045	(137,052)	274	141,486
Fund Balance, Beginning	661,645	190,320	1,031,618	150,173	2,033,756
Fund Balance, Ending	\$ 896,864	\$ 233,365	\$ 894,566	\$ 150,447	\$ 2,175,242

CITY OF NORTH SALT LAKE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – NONMAJOR HOUSING SPECIAL REVENUE
FUND
For The Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	3,000	36,000	38,832	2,832
Total Revenues	<u>3,000</u>	<u>36,000</u>	<u>38,832</u>	<u>2,832</u>
Expenditures				
Community	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,000</u>	<u>36,000</u>	<u>38,832</u>	<u>2,832</u>
Other Financing Sources (Uses)				
Transfer in	198,975	198,975	196,387	(2,588)
Total Other Financing Sources (Uses)	<u>198,975</u>	<u>198,975</u>	<u>196,387</u>	<u>(2,588)</u>
Net Change in Fund Balance	<u>\$ 198,975</u>	<u>\$ 198,975</u>	235,219	<u>\$ (2,588)</u>
Fund Balance, Beginning			<u>661,645</u>	
Fund Balance, Ending			<u>\$ 896,864</u>	

CITY OF NORTH SALT LAKE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – NONMAJOR LOCAL BUILDING
AUTHORITY SPECIAL REVENUE FUND
For The Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Rent	\$ 89,760	\$ 89,760	\$ 98,781	\$ 9,021
Interest	500	500	11,738	11,238
Total Revenues	<u>90,260</u>	<u>90,260</u>	<u>110,519</u>	<u>20,259</u>
Expenditures				
Community Development	38,500	38,500	37,377	1,123
Debt service:				
Principal	105,000	105,000	105,000	-
Interest	15,062	15,062	15,097	(35)
Total Expenditures	<u>158,562</u>	<u>158,562</u>	<u>157,474</u>	<u>1,088</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(68,302)</u>	<u>(68,302)</u>	<u>(46,955)</u>	<u>21,347</u>
Other Financing Sources (Uses)				
Transfer in	100,000	100,000	90,000	(10,000)
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>100,000</u>	<u>90,000</u>	<u>(10,000)</u>
Net Change in Fund Balance	<u>\$ 100,000</u>	<u>\$ 100,000</u>	43,045	<u>\$ (10,000)</u>
Fund Balance, Beginning			<u>190,320</u>	
Fund Balance, Ending			<u>\$ 233,365</u>	

CITY OF NORTH SALT LAKE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – NONMAJOR PARK DEVELOPMENT
CAPITAL PROJECTS FUND
For The Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact fees	\$ 96,600	\$ 42,200	\$ 22,000	\$ (20,200)
Intergovernmental	498,950	498,950	26,745	(472,205)
Miscellaneous	-	-	-	-
Interest	4,500	49,500	46,747	(2,753)
Total Revenues	<u>600,050</u>	<u>590,650</u>	<u>95,492</u>	<u>(495,158)</u>
Expenditures				
Current:				
Improvements	5,768,750	7,518,234	1,422,232	6,096,002
Total Expenditures	<u>5,768,750</u>	<u>7,518,234</u>	<u>1,422,232</u>	<u>6,096,002</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(5,168,700)</u>	<u>(6,927,584)</u>	<u>(1,326,740)</u>	<u>5,600,844</u>
Other Financing Sources (Uses)				
Transfer in	5,100,000	5,690,278	1,279,688	4,410,590
Transfer out	(100,000)	(100,000)	(90,000)	(10,000)
Sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>5,000,000</u>	<u>5,467,028</u>	<u>1,189,688</u>	<u>4,277,340</u>
Net Change in Fund Balance	<u>\$ (168,700)</u>	<u>\$ (1,460,556)</u>	<u>(137,052)</u>	<u>\$ 1,323,504</u>
Fund Balance, Beginning			<u>1,031,618</u>	
Fund Balance, Ending			<u>\$ 894,566</u>	

CITY OF NORTH SALT LAKE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – NONMAJOR POLICE FACILITIES CAPITAL
PROJECTS FUND
For The Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Impact fees	\$ 11,025	\$ 11,025	\$ 3,502	\$ (7,523)
Interest	-	-	7,797	7,797
Total Revenues	<u>11,025</u>	<u>11,025</u>	<u>11,299</u>	<u>274</u>
Other Financing Sources (Uses)				
Transfer out	<u>(11,025)</u>	<u>(11,025)</u>	<u>(11,025)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(11,025)</u>	<u>(11,025)</u>	<u>(11,025)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	274	<u>\$ 274</u>
Fund Balance, Beginning			<u>150,173</u>	
Fund Balance, Ending			<u>\$ 150,447</u>	

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

To the Mayor and Council of
the City of North Salt Lake

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, business-type activities, each major fund, and the aggregate remaining fund information of the City of North Salt Lake, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of North Salt Lake’s basic financial statements, and have issued our report thereon dated December 24, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of North Salt Lake’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of North Salt Lake’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City of North Salt Lake’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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of North Salt Lake’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Child Richards CPAs & Advisors

Ogden, Utah
December 24, 2024



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

To the Mayor and Council of
the City of North Salt Lake

Report On Compliance

We have audited the City of North Salt Lake’s compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended June 30, 2024.

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

- Budgetary Compliance
- Fund Balance
- Justice Court
- Restricted Taxes and Related Restricted Revenue
- Fraud Risk Assessment
- Governmental Fees
- Enterprise Fund Transfers, Reimbursements, Loans, and Services
- Tax Levy Revenue Recognition

Opinion on Compliance

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

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

Report On Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. We noted other matters that we reported to management of the City in a separate letter dated December 24, 2024.

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

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

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

Child Richards CPAs & Advisors

Ogden, Utah
December 24, 2024