

BLANDING CITY
FINANCIAL STATEMENTS
JUNE 30, 2023

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Kimball & Roberts

A Professional Corporation
Certified Public Accountants
176 North Main • P.O. Box 663
Richfield, Utah 84701

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
Blanding City
Blanding, Utah 84511

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Blanding City, as of June 30, 2023, and the respective changes in the financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibility of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 raised substantial doubt about Blanding City's ability to continue as a going concern for one year after the date of the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and Utah Retirement Systems pension liability and contribution information 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 State 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 statement, 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.

Honorable Mayor and City Council
Blanding City
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2023 on our consideration of Blanding City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Blanding City's internal control over financial reporting and compliance.

Kimball & Roberts, PC
Certified Public Accountants

October 2, 2023
Richfield, Utah

BLANDING CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2023

This discussion of Blanding City's (City) financial performance provided an overview of the City's financial activities for the year ending June 30, 2023. This report is in conjunction with the City's financial statements.

The purpose of the City is to provide general services to its residents which includes general government, public safety, highways and public improvements, parks and recreation, and airport.

Financial Highlights

- * The assets of Blanding City exceeded its liabilities as of the close of the most recent year by \$54,347,285 (net position). Of this amount, \$13,002,393 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- * The government's total net position increased \$1,478,023. The revenues were more than the adopted budgeted amounts and expenditures were less than the adopted budgeted amounts in the General Fund.
- * At the close of the current year, the City's governmental funds reported ending fund balance of \$6,075,017 an increase of \$842,246 in comparison with the prior year. Approximately 54 percent of this total amount, \$3,252,763, is available for spending at the government's discretion (unassigned and assigned fund balances).
- * At the end of the current year, unassigned fund balance for the General Fund was \$623,950 or 30 percent of total General Fund expenditures.
- * Blanding City's total bonded debt decreased by a net amount of \$89,545 during the current year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Blanding City's basic financial statements. Blanding City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Blanding City's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of Blanding City's position and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Blanding City is improving or deteriorating.

BLANDING CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2023

The Statement of Activities presents information showing how the government'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 the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Blanding 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. The governmental activities of Blanding City include general government, public safety, highways and public improvements, parks and recreation, and airport. The business-type activities of Blanding City are water, sewer, electric, natural gas, solid waste, storm water operations and the EDA arts and conference center.

Refer to the table of contents for the location of the government-wide financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Blanding 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 Blanding City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

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

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

Blanding City maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, which is always considered to be a major fund, and the Capital Projects Fund.

BLANDING CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2023

Blanding City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

Refer to the table of contents for the location of the basic governmental fund financial statements.

Proprietary Funds

Blanding City maintains seven types of proprietary funds. Enterprise funds are used to report the same function presented as *business-type activities* in the government-wide financial statements. A combining statement for these seven funds is shown elsewhere in this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, Electric, and Natural Gas Funds, which are all considered to be major funds of Blanding City. There are also three nonmajor funds, Solid Waste, Storm Water, and the EDA Arts and Conference Center.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

Notes To The Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Blanding City.

The combining statement referred to earlier in connection with the four major and three nonmajor proprietary funds is presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Blanding City, assets exceeded liabilities by \$54,347,285 at the close of the most recent fiscal year. By far the largest portion of Blanding City's net position (70 percent) reflects its investment in capital position (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, *these assets are not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

BLANDING CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2023

Blanding City's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current Assets	\$ 6,496,987	\$ 5,753,678	\$ 10,852,586	\$ 9,573,663	\$ 17,349,573	\$ 15,327,341
Capital and other Assets	16,634,913	17,193,093	29,271,289	29,762,131	45,906,202	46,955,224
Total Assets	23,131,900	22,946,771	40,123,875	39,335,794	63,255,775	62,282,565
Deferred Outflows of Resources	126,827	216,305	225,871	59,187	352,698	275,492
Long-Term Liabilities	1,479,404	1,080,801	6,248,218	6,496,194	7,727,622	7,576,995
Other Liabilities	239,936	340,264	1,049,616	645,701	1,289,552	985,965
Total Liabilities	1,719,340	1,421,065	7,297,834	7,141,895	9,017,174	8,562,960
Deferred Inflows of Resources	236,343	614,197	7,670	511,638	244,013	512,754
Net Position:						
Net Investment in Capital Assets	15,393,913	16,049,049	22,781,109	22,692,859	38,175,022	38,741,908
Restricted	2,822,254	3,338,494	347,616	323,007	3,169,870	3,661,501
Unrestricted	3,086,877	1,740,271	9,915,516	8,725,582	13,002,393	10,465,853
Total Net Position	\$21,303,044	\$21,127,814	\$33,044,241	\$31,741,448	\$54,347,285	\$52,869,262

A portion of Blanding City's net position (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$13,002,393, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the year, Blanding City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

Governmental Activities

Governmental activities increased Blanding City's net position by \$175,230.

BLANDING CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2023

Blanding City's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 624,259	\$ 540,931	\$ 6,520,486	\$ 5,662,803	\$ 7,144,745	\$ 6,203,734
Operating Grants	340,149	462,853	314,984	214,984	655,133	677,837
Capital Grants	191,588	194,762	518,664	-	710,252	194,762
General Revenues:						
Property Taxes	278,860	308,104	-	-	278,860	308,104
Other Taxes	1,105,600	1,052,327	-	-	1,105,600	1,052,327
Impact Fees	-	-	3,200	16,770	3,200	16,770
Unrestricted Investment						
Earnings	425,406	55,433	112,487	14,565	537,893	69,998
Transfers In (Out)	160,500	160,500	(160,500)	(160,500)	-	-
Total Revenues	<u>3,126,362</u>	<u>2,774,910</u>	<u>7,309,321</u>	<u>5,748,622</u>	<u>10,435,683</u>	<u>8,523,532</u>
Expenses:						
General Government	270,570	103,037	-	-	270,570	103,037
Public Safety	804,309	783,562	-	-	804,309	783,562
Highways and Public Improvements	541,692	530,156	-	-	541,692	530,156
Parks and Recreation	1,046,159	879,327	-	-	1,046,159	879,327
Airport	288,402	310,745	-	-	288,402	310,745
Water	-	-	1,058,776	1,066,935	1,058,776	1,066,935
Sewer	-	-	439,166	460,032	439,166	460,032
Electric	-	-	2,830,868	2,694,717	2,830,868	2,694,717
Natural Gas	-	-	1,271,557	786,560	1,271,557	786,560
Solid Waste	-	-	134,770	127,389	134,770	127,389
Storm Water	-	-	271,391	248,510	271,391	248,510
Total Expenses	<u>2,951,132</u>	<u>2,606,827</u>	<u>6,006,528</u>	<u>5,384,143</u>	<u>8,957,660</u>	<u>7,990,970</u>
Increase in Net Position	175,230	168,083	1,302,793	364,479	1,478,023	532,562
Net Position - Beginning	<u>21,127,814</u>	<u>20,959,731</u>	<u>31,741,448</u>	<u>31,376,969</u>	<u>52,869,262</u>	<u>52,336,700</u>
Net Position - Ending	<u>\$21,303,044</u>	<u>\$21,127,814</u>	<u>\$33,044,241</u>	<u>\$31,741,448</u>	<u>\$54,347,285</u>	<u>\$52,869,262</u>

BLANDING CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2023

* The City did receive capital grants from the State, Federal and local governments to assist in the purchase of equipment and construction costs for airports, parks, roads, recreation, and water projects.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Business-Type Activities

Business-type activities increased Blanding City's net position by \$1,302,793, accounting for 86 percent of the total increase in the government's net position. Key elements of this increase are noted above on page 10.

Financial Analysis of the Government's Funds

As noted earlier, Blanding City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of Blanding City's *governmental 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 unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Blanding City's governmental funds reported combined ending fund balances of \$6,075,017, an increase of \$842,246 in comparison with the prior year. Approximately 10 percent of this amount, \$623,950, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is *restricted or assigned* to indicate that it is not available for new spending because it has already been restricted for: 1) Public Safety \$79,524; 2) Road Trust account \$1,441,906 and 3) Construction \$1,300,824. Funds were also assigned to Capital Outlay, \$2,628,101 and to Community Reinvestment Agency, \$712 .

Proprietary Funds

Blanding City's proprietary funds provides the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of the Water, Sewer, Electric, Natural Gas, Solid Waste, Storm Water and EDA Funds at the end of the year were \$9,915,516. Other factors concerning the finances of these funds has already been addressed in the discussion of the City's business-type activities.

BLANDING CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2023

General Fund Budgetary Highlights

There was no increase from the original to the final budget for the General Fund.

No amounts were funded out of prior year unassigned fund balance. During the year, however, actual revenues were more than budgeted revenues by \$360,979, and actual expenditures were less than budgeted expenditures by \$17,956 resulting in a net increase in fund balance of \$378,935. The difference in projected revenues and expenses is largely due to the timing difference in projects being completed, including grant money being received and the actual expenditures for the projects.

Capital Asset and Debt Administration

Capital Assets

Blanding City's investment in capital assets for all of its governmental and business type activities as of June 30, 2023 was \$45,761,723 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment and improvements and infrastructure, which includes highways, sidewalks, curb and gutter, vehicles and construction in progress and all business-type infrastructure.

The total additions in Blanding City's investment in capital assets, governmental activities, for the current year was \$1,642,540.

Blanding City's Capital Assets

(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 856,669	\$ 856,669	\$ 666,301	\$ 666,301	\$ 1,522,970	\$ 1,522,970
Water Rights	-	-	1,720,955	1,720,955	1,720,955	1,720,955
Buildings	2,771,929	2,664,921	2,730,676	2,786,413	5,502,605	5,451,334
Improvements and Infrastructure	12,118,433	12,438,046	22,614,751	23,504,172	34,733,184	35,942,218
Vehicles & Equipment	493,366	534,403	238,291	244,959	731,657	779,362
Construction in Progress	394,516	505,010	1,155,836	326,024	1,550,352	831,034
Total	\$ 16,634,913	\$ 16,999,049	\$ 29,126,810	\$ 29,248,824	\$ 45,761,723	\$ 46,247,873

Additional information on Blanding City's capital assets can be found in the notes to the financial statements.

**BLANDING CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2023**

Long-Term Debt

At the end of the current year, Blanding City had total long-term debt outstanding of \$8,187,127. The debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds), general obligation bonds, notes payable, and net pension liability.

Blanding City's Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Notes Payable	\$ -	\$ -	\$ 178,013	\$ 206,178	\$ 178,013	\$ 206,178
Revenue Bonds	1,241,000	950,000	6,167,688	6,543,088	7,408,688	7,493,088
Net Pension Liability	104,321	-	185,784	-	290,105	-
Compensated Absences	184,083	180,801	126,238	150,495	310,321	331,296
Total	\$ 1,529,404	\$ 1,130,801	\$ 6,657,723	\$ 6,899,761	\$ 8,187,127	\$ 8,030,562

State statutes limit the amount of general obligation debt a governmental entity may issue to 4 percent of its total fair market value of taxable property in the City. The maximum general obligation debt allowed is approximately \$4,500,000. The present general obligation debt outstanding is \$0.

Additional information on Blanding City's long-term debt can be found in the notes of the financial statements.

Request for Information

This financial report is designed to provide a general overview of Blanding City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Blanding City Manager, 50 West 100 South, Blanding, Utah, 84511.

(This page contains no information and
is used to assist in formatting for easier reading)

BASIC FINANCIAL STATEMENTS

BLANDING CITY
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 3,293,538	\$ 9,988,730	\$ 13,282,268
Restricted Cash and Investments	2,844,832	347,616	3,192,448
Accounts Receivable (Net)	21,099	492,987	514,086
Property Taxes Receivable	232,034	-	232,034
Due From Other Governmental Units	105,484	-	105,484
Note Receivable	-	23,252	23,252
Total Current Assets	6,496,987	10,852,585	17,349,572
Noncurrent Assets:			
Note Receivable	-	144,479	144,479
Capital Assets:			
Not Being Depreciated	1,251,185	6,518,946	7,770,131
Net of Accumulated Depreciation	15,383,728	22,607,864	37,991,592
Total Noncurrent Assets	16,634,913	29,271,289	45,906,202
TOTAL ASSETS	23,131,900	40,123,874	63,255,774
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pensions	126,827	225,871	352,698
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 23,258,727	\$ 40,349,745	\$ 63,608,472
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 178,472	\$ 448,250	\$ 626,722
Accrued Liabilities	11,464	33,426	44,890
Deposits Payable	-	121,927	121,927
Bond Interest Payable	-	36,508	36,508
Notes Payable - Due Within One Year	-	28,395	28,395
Revenue Bonds Payable - Due Within One Year	50,000	381,110	431,110
Total Current Liabilities	239,936	1,049,616	1,289,552
Noncurrent Liabilities:			
Notes Payable - More Than One Year	-	149,618	149,618
Revenue Bonds Payable - More Than One Year	1,191,000	5,786,578	6,977,578
Net Pension Liability	104,321	185,784	290,105
Compensated Absences	184,083	126,238	310,321
Total Noncurrent Liabilities	1,479,404	6,248,218	7,727,622
TOTAL LIABILITIES	1,719,340	7,297,834	9,017,174
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions	4,309	7,670	11,979
Unearned Property Taxes	232,034	-	232,034
TOTAL DEFERRED INFLOWS OF RESOURCES	236,343	7,670	244,013
NET POSITION			
Net Investment in Capital Assets	15,393,913	22,781,109	38,175,022
Restricted For:			
Bond Retirement	-	347,616	347,616
Construction	1,300,824	-	1,300,824
Public Safety - Courts	79,524	-	79,524
Road Trust Account	1,441,906	-	1,441,906
Unrestricted	3,086,877	9,915,516	13,002,393
TOTAL NET POSITION	21,303,044	33,044,241	54,347,285
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 23,258,727	\$ 40,349,745	\$ 63,608,472

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

BLANDING CITY
STATEMENT OF ACTIVITIES
For The Fiscal Year Ended June 30, 2023

Function/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Function/Programs Primary Government:							
Governmental Activities:							
General Government	\$ 270,570	\$ 333,802	\$ 20,247	\$ -	\$ 83,479	\$ -	\$ 83,479
Public Safety	804,309	-	11,637	-	(792,672)	-	(792,672)
Highways and Public Improvements	541,692	-	279,265	70,000	(192,427)	-	(192,427)
Parks and Recreation	1,046,159	251,430	29,000	109,525	(656,204)	-	(656,204)
Airport	288,402	39,027	-	12,063	(237,312)	-	(237,312)
Total Governmental Activities	<u>2,951,132</u>	<u>624,259</u>	<u>340,149</u>	<u>191,588</u>	<u>(1,795,136)</u>	<u>-</u>	<u>(1,795,136)</u>
Business-Type Activities:							
Water	1,058,776	805,132	314,984	415,378	-	476,718	476,718
Sewer	439,166	542,242	-	-	-	103,076	103,076
Electric	2,830,868	3,185,556	-	103,286	-	457,974	457,974
Natural Gas	1,271,557	1,522,168	-	-	-	250,611	250,611
Storm Water	134,770	148,827	-	-	-	14,057	14,057
Solid Waste	271,391	316,561	-	-	-	45,170	45,170
Total Business-Type Activities	<u>6,006,528</u>	<u>6,520,486</u>	<u>314,984</u>	<u>518,664</u>	<u>-</u>	<u>1,347,606</u>	<u>1,347,606</u>
Total Primary Government	<u>\$ 8,957,660</u>	<u>\$ 7,144,745</u>	<u>\$ 340,149</u>	<u>\$ 710,252</u>	<u>(1,795,136)</u>	<u>1,347,606</u>	<u>(447,530)</u>
General Revenues:							
Property Taxes					278,860	-	278,860
Sales Taxes					1,042,037	-	1,042,037
Room Tax					39,845	-	39,845
Franchise Taxes					23,718	-	23,718
Impact Fees					-	3,200	3,200
Unrestricted Investment Earnings					425,406	112,487	537,893
Transfers In (Out)					160,500	(160,500)	-
Total General Revenues and Transfers					<u>1,970,366</u>	<u>(44,813)</u>	<u>1,925,553</u>
Change in Net Position					175,230	1,302,793	1,478,023
Net Position - Beginning					21,127,814	31,741,448	52,869,262
Net Position - Ending					<u>\$ 21,303,044</u>	<u>\$ 33,044,241</u>	<u>\$ 54,347,285</u>

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

**BLANDING CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023**

	General Fund	Capital Projects Fund	Non-Major Fund <u>Community Reinvestment Agency Fund</u>	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 598,193	\$ 2,694,633	\$ 712	\$ 3,293,538
Restricted Cash and Investments	2,396,985	447,847	-	2,844,832
Accounts Receivable	21,099	-	-	21,099
Property Taxes Receivable	232,034	-	-	232,034
Due From Other Government Units	<u>105,484</u>	<u>-</u>	<u>-</u>	<u>105,484</u>
TOTAL ASSETS	<u><u>\$ 3,353,795</u></u>	<u><u>\$ 3,142,480</u></u>	<u><u>\$ 712</u></u>	<u><u>\$ 6,496,987</u></u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 89,362	\$ 89,110	\$ -	\$ 178,472
Accrued Liabilities	<u>11,464</u>	<u>-</u>	<u>-</u>	<u>11,464</u>
Total Liabilities	<u>100,826</u>	<u>89,110</u>	<u>-</u>	<u>189,936</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Property Taxes	<u>232,034</u>	<u>-</u>	<u>-</u>	<u>232,034</u>
FUND BALANCES				
Restricted For:				
Public Safety-Courts	79,524	-	-	79,524
Road Trust Account	1,441,906	-	-	1,441,906
Construction	875,555	425,269	-	1,300,824
Assigned For:				
Capital Outlay	-	2,628,101	-	2,628,101
CRA Fund	-	-	712	712
Unassigned:				
General Fund	<u>623,950</u>	<u>-</u>	<u>-</u>	<u>623,950</u>
Total Fund Balance	<u>3,020,935</u>	<u>3,053,370</u>	<u>712</u>	<u>6,075,017</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 3,353,795</u></u>	<u><u>\$ 3,142,480</u></u>	<u><u>\$ 712</u></u>	<u><u>\$ 6,496,987</u></u>

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

BLANDING CITY
GOVERNMENTAL BALANCE SHEET RECONCILIATION TO THE STATEMENT OF NET POSITION
June 30, 2023

Total Fund Balances - Governmental Fund Types \$ 6,075,017

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	\$ 856,669	
Buildings	2,771,929	
Improvements Other than Buildings	12,118,433	
Equipment	493,366	
Construction In Progress	<u>394,516</u>	
Total		16,634,913

To recognize resources associated with pension assets and deferred outflows of pension resources:

Deferred Outflows of Resources Related to Pensions	<u>\$ 126,827</u>	
Total Pension Assets and Deferred Outflows of Resources		126,827

To recognize obligations associated with pension liabilities which are not current obligations and not recorded in the fund statements:

Net Pension Liability	\$ (104,321)	
Deferred Inflows of Resources Related to Pensions	<u>(4,309)</u>	
Total Pension Liability and Deferred Inflows of Resources		(108,630)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Sales Tax Revenue Bonds	\$ (900,000)	
MBA Lease Revenue Bond	(341,000)	
Compensated Absences	<u>(184,083)</u>	
Total		<u>(1,425,083)</u>

Net Position of Government Activities \$21,303,044

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

BLANDING CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Fiscal Year Ended June 30, 2023

	General Fund	Capital Projects Fund	Non-Major Fund Community Reinvestment Agency Fund	Total
Revenues:				
Taxes	\$ 1,384,460	\$ -	\$ -	\$ 1,384,460
Licenses and Permits	42,141	-	-	42,141
Intergovernmental Revenue	420,149	111,588	-	531,737
Charges for Services	39,027	-	-	39,027
Fines and Forfeitures	138,009	-	-	138,009
Interest	425,406	-	-	425,406
Wellness Center	217,350	-	-	217,350
Miscellaneous Revenues	187,732	-	-	187,732
Total Revenues	2,854,274	111,588	-	2,965,862
Expenditures:				
Current:				
General Government	319,396	-	-	319,396
Public Safety	817,764	-	-	817,764
Highways and Public Improvements	129,876	64,461	-	194,337
Parks and Recreation	758,844	55,425	-	814,269
Airport	9,959	47,214	-	57,173
Debt Service - Principal	50,000	-	-	50,000
Capital Outlay	-	372,177	-	372,177
Total Expenditures	2,085,839	539,277	-	2,625,116
Excess Revenues Over (Under) Expenditures	768,435	(427,689)	-	340,746
Other Financing Sources (Uses):				
Transfers In	160,500	-	-	160,500
Transfers (Out)	(550,000)	550,000	-	-
Loan Proceeds	-	341,000	-	341,000
Total Other Sources (Uses)	(389,500)	891,000	-	501,500
Increase (Decrease) In Fund Balance	378,935	463,311	-	842,246
Fund Balance - Beginning	2,642,000	2,590,059	712	5,232,771
Fund Balance - Ending	<u>\$ 3,020,935</u>	<u>\$ 3,053,370</u>	<u>\$ 712</u>	<u>\$ 6,075,017</u>

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

BLANDING CITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Fiscal Year Ended June 30, 2023

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

Net Changes in Fund Balances - Total Governmental Funds		\$ 842,246
<p>The Statement of Activities shows pension benefits and pension expenses from the adoption of GASB 68 that are not shown on the fund statements.</p>		
		(8,598)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:</p>		
Capital Outlays	\$ 600,076	
Depreciation Expense	<u>(964,212)</u>	
Total		(364,136)
<p>The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items:</p>		
Principal payment on Bonds	\$ 50,000	
Bond Proceeds	(341,000)	
Increase in Compensated Absences	<u>(3,282)</u>	
Total		<u>(294,282)</u>
Changes In Net Position of Governmental Activities		<u>\$ 175,230</u>

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

BLANDING CITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Water Fund	Sewer Fund	Electric Fund	Natural Gas Fund	Storm Water Fund	Nonmajor Funds	Total
ASSETS:							
Current Assets:							
Cash and Investments	\$ 2,481,245	\$ 1,458,823	\$ 4,301,093	\$ 833,065	\$ 422,944	\$ 491,560	\$ 9,988,730
Cash and Investments - Restricted	125,208	179,279	-	-	43,129	-	347,616
Accounts Receivable	87,704	56,127	231,563	71,418	16,367	29,809	492,987
Note Receivable	-	-	23,252	-	-	-	23,252
Total Current Assets	2,694,157	1,694,229	4,555,908	904,483	482,440	521,369	10,852,585
Noncurrent Assets:							
Note Receivable	-	-	144,479	-	-	-	144,479
Capital Assets:							
Not Being Depreciated	2,812,535	94,472	585,790	50,293	1,668,241	1,307,615	6,518,946
Net of Accumulated Depreciation	12,041,389	4,396,698	3,228,070	2,566,033	361,509	14,165	22,607,864
Total Noncurrent Assets	14,853,924	4,491,170	3,958,339	2,616,326	2,029,750	1,321,780	29,271,289
TOTAL ASSETS	17,548,081	6,185,399	8,514,247	3,520,809	2,512,190	1,843,149	40,123,874
DEFER. OUTFLOWS OF RESOURCES	59,842	54,748	64,228	41,783	1,665	3,605	225,871
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 17,607,923	\$ 6,240,147	\$ 8,578,475	\$ 3,562,592	\$ 2,513,855	\$ 1,846,754	\$ 40,349,745
LIABILITIES:							
Current Liabilities:							
Accounts Payable	\$ 261,409	\$ 583	\$ 128,556	\$ 38,704	\$ -	\$ 18,999	\$ 448,250
Accrued Liabilities	-	-	25,138	8,288	-	-	33,426
Deposits Payable	-	-	121,927	-	-	-	121,927
Accrued Interest Payable	698	25,364	3,651	-	6,795	-	36,508
Note Pay. - Due Within One Year	5,143	-	-	23,252	-	-	28,395
Bonds Pay. - Due Within One Year	92,402	84,000	135,000	-	69,708	-	381,110
Total Current Liabilities	359,652	109,947	414,272	70,244	76,503	18,999	1,049,616
Noncurrent Liabilities:							
Note Payable - More Than One Year	5,139	-	-	144,479	-	-	149,618
Bonds Payable - More Than One Year	1,495,632	2,356,654	466,000	-	1,468,292	-	5,786,578
Net Pension Liability	49,221	45,032	52,829	34,368	1,369	2,965	185,784
Compensated Absences	36,342	33,739	28,368	23,900	2,818	1,071	126,238
Total Noncurrent Liabilities	1,586,334	2,435,425	547,197	202,747	1,472,479	4,036	6,248,218
TOTAL LIABILITIES	1,945,986	2,545,372	961,469	272,991	1,548,982	23,035	7,297,834
DEFER. INFLOWS OF RESOURCES	2,032	1,859	2,181	1,419	57	122	7,670
NET POSITION:							
Net Investment in Capital Assets	13,255,608	2,050,516	3,212,860	2,448,595	491,750	1,321,780	22,781,109
Restricted for:							
Bond Reserves	125,208	179,279	-	-	43,129	-	347,616
Unrestricted	2,279,089	1,463,121	4,401,965	839,587	429,937	501,817	9,915,516
TOTAL NET POSITION	15,659,905	3,692,916	7,614,825	3,288,182	964,816	1,823,597	33,044,241
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 17,607,923	\$ 6,240,147	\$ 8,578,475	\$ 3,562,592	\$ 2,513,855	\$ 1,846,754	\$ 40,349,745

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

BLANDING CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPES
For The Fiscal Year Ended June 30, 2023

	Water Fund	Sewer Fund	Electric Fund	Natural Gas Fund	Storm Water Fund	Nonmajor Funds	Total
Operating Revenues:							
Charges for Sales and Services:							
Water	\$ 795,044	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 795,044
Sewer	-	533,112	-	-	-	-	533,112
Electric	-	-	3,156,946	-	-	-	3,156,946
Natural Gas	-	-	-	1,490,705	-	-	1,490,705
Sanitation	-	-	-	-	-	316,561	316,561
Storm Water	-	-	-	-	148,827	-	148,827
Connection Fees	4,000	500	4,530	2,900	-	-	11,930
Other	6,088	8,630	24,080	28,563	-	-	67,361
Total Operating Revenues	<u>805,132</u>	<u>542,242</u>	<u>3,185,556</u>	<u>1,522,168</u>	<u>148,827</u>	<u>316,561</u>	<u>6,520,486</u>
Operating Expenses:							
Salaries	209,112	194,157	222,698	150,795	6,118	13,540	796,420
Fringe Benefits	84,116	72,303	75,233	46,981	1,591	4,747	284,971
Power and Gas Purchases	-	-	2,018,979	872,063	-	-	2,891,042
Water Purchases	18,221	-	-	-	-	-	18,221
Materials and Supplies	89,859	25,806	264,178	55,507	1,600	45	436,995
Utilities	27,755	5,157	8,545	3,427	-	200	45,084
Insurance	10,000	10,000	29,393	8,000	500	1,000	58,893
Professional and Technical	12,926	6,637	48,781	11,002	-	252,329	331,675
Other	372	452	7,580	511	400	-	9,315
Depreciation	608,423	129,061	179,547	142,827	104,029	590	1,164,477
Total Operating Expenses	<u>1,060,784</u>	<u>443,573</u>	<u>2,854,934</u>	<u>1,291,113</u>	<u>114,238</u>	<u>272,451</u>	<u>6,037,093</u>
Operating Income	<u>(255,652)</u>	<u>98,669</u>	<u>330,622</u>	<u>231,055</u>	<u>34,589</u>	<u>44,110</u>	<u>483,393</u>
Nonoperating Revenues (Expenses):							
Interest Expense	(34,080)	(34,263)	(17,174)	(1,908)	(21,303)	-	(108,728)
Impact Fees	2,200	1,000	-	-	-	-	3,200
Interest Earned	51,047	25,128	17,077	19,230	5	-	112,487
State Capital Grants	415,378	-	103,286	-	-	-	518,664
ARAP Grant	214,984	-	-	-	-	-	214,984
Local Grant	100,000	-	-	-	-	-	100,000
Transfer to Other Funds	(24,000)	(9,000)	(90,000)	(30,000)	(1,500)	(6,000)	(160,500)
Benefit Expense GASB 68	36,088	38,670	41,240	21,464	771	1,060	139,293
Total Nonoperating Revenues (Expenses)	<u>761,617</u>	<u>21,535</u>	<u>54,429</u>	<u>8,786</u>	<u>(22,027)</u>	<u>(4,940)</u>	<u>819,400</u>
Change in Net Position	505,965	120,204	385,051	239,841	12,562	39,170	1,302,793
Net Position - Beginning	<u>15,153,940</u>	<u>3,572,712</u>	<u>7,229,774</u>	<u>3,048,341</u>	<u>952,254</u>	<u>1,784,427</u>	<u>31,741,448</u>
Net Position - Ending	<u>\$ 15,659,905</u>	<u>\$ 3,692,916</u>	<u>\$ 7,614,825</u>	<u>\$ 3,288,182</u>	<u>\$ 964,816</u>	<u>\$ 1,823,597</u>	<u>\$ 33,044,241</u>

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

BLANDING CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Fiscal Year Ended June 30, 2023

	Water Fund	Sewer Fund	Electric Fund	Natural Gas Fund	Storm Water Funds	Nonmajor Funds	Total
Cash Flows From Operating Activities:							
Receipts From Customers	\$ 803,671	\$ 537,057	\$ 3,218,996	\$ 1,482,411	\$ 145,842	\$ 309,427	\$ 6,497,404
Payments to Suppliers	84,121	(55,374)	(2,287,824)	(915,345)	(4,000)	(234,800)	(3,413,222)
Payments to Employees	(293,228)	(266,460)	(297,931)	(197,776)	(6,209)	(18,286)	(1,079,890)
Net Cash Provided by Operating Activities	594,564	215,223	633,241	369,290	135,633	56,341	2,004,292
Cash Flows From Capital and Related Financing Activities:							
Impact Fees	2,200	1,000	-	-	-	-	3,200
Transfer to Other Funds	(24,000)	(9,000)	(90,000)	(30,000)	(1,500)	(6,000)	(160,500)
Notes Receivable/Payable Payments	-	-	23,022	(23,022)	-	-	-
Grants	730,362	-	103,286	-	-	-	833,648
Capital Asset Additions	(58,129)	(26,985)	(19,334)	(5,336)	-	-	(109,784)
Construction In Progress	(900,785)	-	-	(31,892)	-	-	(932,677)
Interest Payment on Long-Term Debt	(34,095)	(37,869)	(18,031)	(1,908)	(21,500)	-	(113,403)
Principal Payment on Long-Term Debt	(97,544)	(84,000)	(141,000)	-	(58,000)	-	(380,544)
Net Cash Provided (Used) by Capital and Related Financing Activities	(381,991)	(156,854)	(142,057)	(92,158)	(81,000)	(6,000)	(860,060)
Cash Flows from Investing Activities:							
Interest Earned on Investments	51,047	25,128	17,077	19,230	5	-	112,487
Net Cash Provided from Investing Activities	51,047	25,128	17,077	19,230	5	-	112,487
Increase (Decrease) Cash and Investments	263,620	83,497	508,261	296,362	54,638	50,341	1,256,719
Cash and Investments - Beginning	2,342,833	1,554,605	3,792,832	536,703	411,435	441,219	9,079,627
Cash and Investments - Ending	<u>\$ 2,606,453</u>	<u>\$ 1,638,102</u>	<u>\$ 4,301,093</u>	<u>\$ 833,065</u>	<u>\$ 466,073</u>	<u>\$ 491,560</u>	<u>\$ 10,336,346</u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:							
Operating Income (Loss)	\$ (255,652)	\$ 98,669	\$ 330,622	\$ 231,055	\$ 34,589	\$ 44,111	\$ 483,394
Adjustment to Reconcile Operating Income To Net Cash Provided By Operating Activities:							
Depreciation	608,423	129,061	179,547	142,827	104,029	590	1,164,477
Increase (Decr.) in Operating Assets:							
Accounts Receivable	(1,461)	(5,185)	33,440	(39,757)	(2,985)	(7,133)	(23,081)
Accounts Payable	249,940	(2,420)	81,580	29,120	-	18,773	376,993
Accrued Liabilities	-	-	17,370	9,396	-	-	26,766
Compensated Absences	(6,686)	(4,902)	(9,318)	(3,351)	-	-	(24,257)
Total Adjustments	850,216	116,554	302,619	138,235	101,044	12,230	1,520,898
Net Cash Provided (Used) by Operating Activities	<u>\$ 594,564</u>	<u>\$ 215,223</u>	<u>\$ 633,241</u>	<u>\$ 369,290</u>	<u>\$ 135,633</u>	<u>\$ 56,341</u>	<u>\$ 2,004,292</u>

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

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Blanding City conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

The accompanying basic financial statements present the financial position of various fund types and the results of operations of the various fund types. The basic financial statements are presented for the year ended June 30, 2023.

The following is a summary of the more significant policies:

A. Reporting Entity

Blanding City is a municipal corporation in San Juan County, Utah. It is governed by an elected mayor and five member council. As required by generally accepted accounting principles, these financial statements are of the primary government, Blanding City, the reporting entity. The City has no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., Statement of Net Position and Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Blanding City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government 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 Capital Projects Fund accounts for the acquisition of fixed assets or construction of major capital improvements not being financed by proprietary or nonexpendable trust funds.

The government reports the following non-major governmental fund:

The Community Reinvestment Agency of Blanding City is governed by a six member board, comprised of the Mayor and Five City Council members. The entities purpose is to promote urban renewal, economic development, community development, or any combination of them in certain areas of the City. Activities for the Agency are blended with the City's special revenue funds, but separate financial statements are not issued or required for the Agency.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government reports the following major proprietary funds:

The Water, Sewer, Electric, Natural Gas, Storm Water, Solid Waste, and EDA Arts Funds account for the activities of the City. 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 utility funds are charges to customers for services. Operating expenses for proprietary 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 non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Position or Equity

Deposits and Investments:

The cash balances of substantially all funds are pooled and invested by the City for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. The City's investments are reported at amortized cost, which approximates fair value at year-end. The Utah Public Treasurers' Investment Fund (PTIF) operates in accordance with appropriate Utah state laws. Investments are recorded at amortized cost, which approximates fair value in accordance with *GASB Statement No. 72, Fair Value Measurement and Application*. The fair value of the City's position in the PTIF investment pool is the same as the value of the pool shares. Changes in the fair value in investments are recorded as investment earnings. Earnings on pooled funds are apportioned and paid or credited to funds based on the average earnings of each participating fund.

Cash and Investments:

The City considers cash and cash equivalents to be cash on hand and demand deposits, and considers investments to be short-term investments with original maturities of three months or less from the date of acquisition, including the PTIF.

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Water System	40 - 75 Years
Buildings	40 - 57 Years
Machinery and Equipment	10 - 15 Years
Furniture and Fixtures	10 - 20 Years
Vehicles	5 - 10 Years

The City has adopted and complied with GASB 87, regarding the classification and disclosure of leases and the related leased assets and liabilities.

Long-Term Obligations:

In the government-wide financial statements governmental long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Equity Classifications:

Equity is classified in the government-wide financial statements as net position and is displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted 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.
- b. 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.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances 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.

Restricted fund balance classification 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 classification includes those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority.

Assigned fund balance classification includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. It also includes all remaining amounts that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted, or committed, and 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 been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Proprietary Fund equity is classified the same as in the government-wide statements.

E. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles 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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Property Taxes:

Property taxes are assessed and collected for the City by San Juan County and remitted to the City shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Budgets and Budgetary Accounting:

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and City council on or before June 22 for the following fiscal year beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the City's budgetary control (the level at which the City's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the appropriation of unreserved General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Any unreserved General Fund balance greater than 35% of the current year's revenues must be appropriated within the following two years.

Once adopted, the budget may be amended by the City council without hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the Mayor, 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 are prepared on the modified accrual basis of accounting. Encumbrances are not used.

H. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has only one type of item that qualifies for reporting in this category, deferred outflows as relating to pensions as described in Note 13.

In addition to liabilities, the Statement of Net 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 government has two types of items that qualify for reporting in this category. The City reports unavailable revenues from property taxes and deferred inflows as relating to pensions as described in Note 13. These amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. 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.

J. Date of Subsequent Event Evaluation

Blanding City's subsequent events have been evaluated through the day of the financial statement issuance of October 2, 2023.

Deposits:

Deposits and Investments are carried at amortized cost, which approximates fair value. A reconciliation of cash and investments at June 30, 2023, as shown on the financial statements is as follows:

	Carrying at Fair Value
Cash on Hand	\$ 1,413
Demand Deposits	1,492,056
Investments - PTIF	14,981,246
Total Cash and Investments	\$16,474,715
Governmental Activities - Unrestricted	\$ 3,293,538
Governmental Activities - Restricted	2,844,832
Business-Type Activities - Unrestricted	9,988,730
Business-Type Activities - Restricted	347,616
Total Cash and Investments	\$16,474,716

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of June 30, 2023, \$1,348,936 of the City's bank balances of \$1,602,147 was uninsured and uncollateralized.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

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 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 purchase 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.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Fair Value of Investments

The City measures and records its investments at amortized cost, which approximates 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, 2023, the City had the following recurring fair value measurements:

<u>Investments By Fair Value Level</u>	June 30, 2023	<u>Fair Value Measurements Using</u>		
		Level 1	Level 2	Level 3
Debt Securities:				
Public Treasurers'				
Investment Fund	\$14,981,246	\$ -	\$14,981,246	\$ -
Total Investments -				
Fair Value Level	\$14,981,246	\$ -	\$14,981,246	\$ -

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:

- * Utah Public Treasurers' Investment Fund: application of the June 30, 2023 fair value factor, as calculated by the Utah State Treasurer, to the City's average daily balance in the Fund.

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.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Public Treasurers' Investment Fund	\$14,981,246	\$14,981,246	\$ -	\$ -	\$ -
Total	\$14,981,246	\$14,981,246	\$ -	\$ -	\$ -

Credit Risk

Credit risk is the risk than 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, 2023, the City's investments had the following quality ratings:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quality Ratings</u>			
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Unrated</u>
Public Treasurers' Investment Fund	\$14,981,246	\$ -	\$ -	\$ -	\$14,981,246
Total	\$14,981,246	\$ -	\$ -	\$ -	\$14,981,246

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 with a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio. The City places no other limits on the amount it may invest in any one issuer.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. As of June 30, 2023, the City had \$14,981,246 in debt security investments, level 2, which were held by the investment's counterparty. The City places no other limits on the amount of investments to be held by counterparties.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 3 - CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 856,669	\$ -	\$ -	\$ 856,669
Construction In Progress	505,010	542,636	653,130	394,516
Total Capital Assets Not Being Depreciated	1,361,679	542,636	653,130	1,251,185
Capital Assets Being Depreciated:				
Buildings	4,662,540	255,726	-	4,918,266
Improvements	22,511,736	381,328	-	22,893,064
Equipment	2,714,937	73,516	-	2,788,453
Total Capital Assets Being Depreciated	29,889,213	710,570	-	30,599,783
Less Accumulated Depreciation For:				
Buildings	1,997,619	148,718	-	2,146,337
Improvements	10,073,690	700,941	-	10,774,631
Equipment	2,180,534	114,553	-	2,295,087
Total Accumulated Depreciation	14,251,843	964,212	-	15,216,055
Total Capital Assets Being Depreciated (Net)	15,637,370	(253,642)	-	15,383,728
Governmental Activities Capital Assets, Net	\$16,999,049	\$ 288,994	\$ 653,130	\$16,634,913

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 3 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 666,301	\$ -	\$ -	\$ 666,301
Water Stock	1,720,955	-	-	1,720,955
Construction In Progress	326,024	932,679	102,867	1,155,836
	<u>2,713,280</u>	<u>932,679</u>	<u>102,867</u>	<u>3,543,092</u>
Total Capital Assets Not Being Depreciated				
Capital Assets Being Depreciated:				
Buildings	3,789,279	-	-	3,789,279
Utility Systems	41,182,472	158,989	-	41,341,461
Equipment	1,834,117	53,663	-	1,887,780
	<u>46,805,868</u>	<u>212,652</u>	<u>-</u>	<u>47,018,520</u>
Total Capital Assets Being Depreciated				
Less Accumulated Depreciation For:				
Buildings	1,002,866	55,737	-	1,058,603
Utility Systems	17,678,300	1,048,410	-	18,726,710
Equipment	1,589,158	60,331	-	1,649,489
	<u>20,270,324</u>	<u>1,164,478</u>	<u>-</u>	<u>21,434,802</u>
Total Accumulated Depreciation				
Total Capital Assets Being Depreciated (Net)				
	<u>26,535,544</u>	<u>(951,826)</u>	<u>-</u>	<u>25,583,718</u>
Business-Type Activities Capital Assets, Net				
	<u>29,248,824</u>	<u>(19,147)</u>	<u>102,867</u>	<u>29,126,810</u>
Total Assets - Government Wide				
	<u>\$46,247,873</u>	<u>\$ 269,847</u>	<u>\$ 755,997</u>	<u>\$45,761,723</u>

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 3 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the Primary Government as follows:

	Governmental Activities
General Government	\$ 20,774
Public Safety	42,611
Highways and Public Improvements	429,572
Parks and Recreation	240,026
Airport	231,229
Total Depreciation Expense	\$ 964,212

NOTE 4 - NATURAL GAS SYSTEM

The number of properties connected to the natural gas system at June 30, 2023, was 1,247. The number of applications for natural gas service on hand was 16.

Because of the volatility of the natural gas markets and country wide energy crisis, the Blanding City Council passed a resolution approving rate adjustments to match the changing markets to maintain a mark-up of \$5.00 per dekatherm over City costs. The rate at the end of the year was \$0.6708 per therm.

NOTE 5 - LONG TERM DEBT

Governmental Long-Term Debt

Sales Tax Revenue Bond, Series 2009:

The City issued \$1,500,000 of Sales Tax Revenue Bonds, Series 2009 to be used in the construction of a Wellness Center. Bonds are secured by sales tax revenues. The Bonds are interest free and require annual principal payments of \$50,000, starting July 1, 2012 and ending July 1, 2041.

The following is a summary of debt service charges for the Sales Tax Revenue Bond, Series 2009:

	Principal	Interest	Total
July 1,			
2023	\$ 50,000	\$ -	\$ 50,000
2024	50,000	-	50,000
2025	50,000	-	50,000
2026	50,000	-	50,000
2027	50,000	-	50,000
2028-2032	250,000	-	250,000
2033-2037	250,000	-	250,000
2038-2040	150,000	-	150,000
	\$ 900,000	\$ -	\$ 900,000

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG TERM DEBT (CONTINUED)

MBA Lease Revenue Bond, Series 2023:

The City issued \$341,000 of MBA Lease Revenue Bonds in 2023. The bonds were issued with an interest rate of 2% . Payments will be due annually on October 1 of each year beginning October 1, 2024 and continuing each year until October 1, 2053. The bonds are secured by a lease with the City. A Reserve Bond Fund is required. A total of \$15,700 to be on deposited with six annual deposits of approximately \$2,617 beginning on October 1, 2024.

The following is a summary of debt service charges for Governmental Long-Term Debt:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
October 1,			
2024	\$ 8,000	\$ 6,820	\$ 14,820
2025	9,000	6,660	15,660
2026	9,000	6,480	15,480
2027	9,000	6,300	15,300
2028	9,000	6,120	15,120
2029-2033	48,000	27,840	75,840
2034-2038	53,000	22,840	75,840
2039-2043	59,000	17,280	76,280
2044-2048	65,000	11,180	76,180
2049-2053	72,000	4,380	76,380
	<u>\$ 341,000</u>	<u>\$ 115,900</u>	<u>\$ 456,900</u>
<u>Direct Placement</u>			
	<u>Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 58,000	\$ 6,820	\$ 64,820
2025	59,000	6,660	65,660
2026	59,000	6,480	65,480
2027	59,000	6,300	65,300
2028	59,000	6,120	65,120
2029-2033	298,000	27,840	325,840
2034-2038	303,000	22,840	325,840
2039-2043	209,000	17,280	226,280
2044-2048	65,000	11,180	76,180
2049-2053	72,000	4,380	76,380
	<u>\$ 1,241,000</u>	<u>\$ 115,900</u>	<u>\$ 1,204,340</u>

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The following is a schedule of changes in Governmental long-term debt:

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Total Authorized</u>	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
Governmental Activities:								
Revenue Obligation:								
Sales Tax Revenue Bond	2010	0.0%	\$ 1,500,000	\$ 950,000	\$ -	\$ 50,000	\$ 900,000	\$ 50,000
MBA Lease Revenue Bond, Series	2023	0.0%	1,000,000	-	341,000	-	341,000	-
Total Revenue Obligation			<u>2,500,000</u>	<u>950,000</u>	<u>341,000</u>	<u>50,000</u>	<u>1,241,000</u>	<u>50,000</u>
General Obligation:								
Net Pension Liability			-	-	104,321	-	104,321	-
Accrued Compensated Absences			-	180,801	3,282	-	184,083	-
Total General Obligation			<u>-</u>	<u>180,801</u>	<u>107,603</u>	<u>-</u>	<u>288,404</u>	<u>-</u>
Total Governmental Long-Term Debt			<u>\$ 2,500,000</u>	<u>\$ 1,130,801</u>	<u>\$ 448,603</u>	<u>\$ 50,000</u>	<u>\$ 1,529,404</u>	<u>\$ 50,000</u>

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG TERM DEBT (CONTINUED)

Business-Type Long-Term Debt

Water System:

Water Revenue Bonds constitute special obligations of the City, solely secured by a lien on and pledge of the net revenues of the water system. The revenue bonds are collateralized by the revenue of the water system and various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the revenue bond funds. Any remaining revenues may then be used for any lawful purpose. The ordinances also contain certain provisions which require the City to maintain pledged revenues, as defined in the ordinances, for each year of at least 1.25 times the average annual debt service requirements. For fiscal year 2023, the "pledged revenues" were 5.77 times the average annual debt service. Therefore, the City was in compliance with this covenant. The ordinances also contain provisions which, along with other items, restrict the issuance of additional revenue bonds unless the sinking reserve funds contain the required amounts and the pledged revenues are equal or greater than 1.25 times the average annual debt service requirements after giving effect to the issuance of the proposed additional bonds.

1983 San Juan Water Conservancy District Agreement:

During December of 1983, the City entered into an agreement with the San Juan Water Conservancy District for the perpetual right to 500 acre feet of District water per water year from the Recapture Dam Project. The terms of the agreement require payment of \$20,000 per year from the City with no interest. The balance at year end was \$40,000.

The following is a summary of debt service charges to maturity:

	Principal	Interest	Total
2024	\$ 20,000	\$ -	\$ 20,000
2025	20,000	-	20,000
Total	\$ 40,000	\$ -	\$ 40,000

1997 Contract with San Juan Water Conservancy District:

During fiscal year 1997, the City entered into a long-term contract in the amount of \$144,000, in connection with the purchase of 300 acre feet of water from the San Juan County Conservancy District. The contract is non-interest bearing and is payable in 28 annual installments of \$5,143. The contract matures in 2025. The balance at year end was \$10,282.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG TERM DEBT (CONTINUED)

The following is a summary of debt service charges to maturity:

	Principal	Interest	Total
2024	\$ 5,143	\$ -	\$ 5,143
2025	5,139	-	5,139
Total	\$ 10,282	\$ -	\$ 10,282

USDA 2009 Parity Water Revenue Bonds:

During 2009 the City issued \$266,000 of 2009 Parity Water Revenue Bonds through the United States Department of Agriculture. The bonds have an interest rate of 4.25%. Monthly payments of \$1,166 begin August 1, 2012 and mature June 1, 2049. The balance at year end was \$219,861.

The following is a summary of debt service charges for the 2009 USDA Parity Water Revenue Bonds:

	Principal	Interest	Total
2024	\$ 4,739	\$ 9,449	\$ 14,188
2025	4,945	9,253	14,198
2026	5,159	9,047	14,206
2027	5,383	8,833	14,216
2028	5,616	8,609	14,225
2029-2033	31,949	38,011	69,960
2034-2038	39,499	30,461	69,960
2039-2043	48,832	21,128	69,960
2044-2048	60,372	9,588	69,960
2049	13,367	303	13,670
	\$ 219,861	\$ 144,682	\$ 364,543

USDA 2012A Parity Water Revenue Bonds:

During 2012 Blanding City issued \$686,000 of 2012A Parity Water Revenue Bonds through the United States Department of Agriculture for the purpose of financing water improvements and \$485,000 was used to replace existing debt of \$504,413. The bond requires monthly payments of \$2,491 for 437 months with a 3.375% interest rate. The bonds mature May 19, 2049. The balance at year end was \$572,299.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG TERM DEBT (CONTINUED)

The following is a summary of debt service charges for 2012A USDA Parity Water Revenue Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 12,900	\$ 16,992	\$ 29,892
2025	13,291	16,601	29,892
2026	13,696	16,196	29,892
2027	14,113	15,779	29,892
2028	14,542	15,350	29,892
2029-2033	79,619	69,841	149,460
2034-2038	92,487	56,973	149,460
2039-2043	107,435	45,196	152,631
2044-2048	124,798	24,662	149,460
2049-2052	99,418	5,448	104,866
	<u>\$ 572,299</u>	<u>\$ 283,038</u>	<u>\$ 855,337</u>

USDA 2012B Parity Water Revenue Bonds:

During 2012 the City issued \$74,000 of 2012B Parity Water Revenue Bonds for the purpose of improving the City's water system. The bonds require monthly payments of \$269 for 436 months with a 3.00% interest rate. The bonds mature April 19, 2049. The balance at year end was \$61,692.

The following is a summary of debt service charges for 2012B USDA Parity Water Revenue Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,396	\$ 1,832	\$ 3,228
2025	1,439	1,789	3,228
2026	1,483	1,745	3,228
2027	1,528	1,700	3,228
2028	1,574	1,701	3,275
2029-2033	8,619	7,521	16,140
2034-2038	10,011	6,129	16,140
2039-2043	11,630	4,510	16,140
2044-2048	13,508	2,632	16,140
2049-2051	10,504	563	11,067
	<u>\$ 61,692</u>	<u>\$ 30,122</u>	<u>\$ 91,814</u>

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG TERM DEBT (CONTINUED)

CIB Parity Water Revenue Bond, Series 2012A:

On September 11, 2012, the City issued \$250,000 of Parity Water Revenue Bonds, Series 2012A with 0% interest. The bonds were purchased by the Utah Permanent Community Impact Fund Board. Bonds are secured by the water revenues of the City. Bonds are payable annually on October 1 of each year beginning October 1, 2013 and continuing until October 1, 2032. A reserve fund of \$13,000 is required to be funded over 72 months, beginning December 2013. The balance of the reserve fund at June 30, 2023 is \$13,000.

The following is a summary of debt service charges for the 2012A CIB Parity Water Revenue Bonds:

	Principal	Interest	Total
October 1,			
2023	\$ 13,000	\$ -	\$ 13,000
2024	13,000	-	13,000
2025	13,000	-	13,000
2026	13,000	-	13,000
2027	13,000	-	13,000
2028-2032	65,000	-	65,000
	\$ 130,000	\$ -	\$ 130,000

CIB Parity Water Revenue Bonds, 2013A:

On April 18, 2013, the City issued \$750,000 of Parity Water Revenue Bonds, Series 2013A with 0% interest. The bonds were purchased by the Utah Permanent Community Fund Board. The bonds are secured by the water revenues of the City. The bonds are payable annually on April 1 of each year beginning April 1, 2014 and continuing until April 1, 2033. A reserve fund of \$38,000 is required to be funded over 72 months beginning May of 2014. The balance of the reserve fund at June 30, 2023 is \$38,000.

The following is a summary of debt service charges for the 2013A CIB Parity Water Revenue Bonds:

	Principal	Interest	Total
April 1,			
2024	\$ 38,000	\$ -	\$ 38,000
2025	38,000	-	38,000
2026	38,000	-	38,000
2027	38,000	-	38,000
2028	38,000	-	38,000
2029-2033	180,000	-	180,000
	\$ 370,000	\$ -	\$ 370,000

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG TERM DEBT (CONTINUED)
CIB Parity Water Revenue Bonds, Series 2014:

On March 14, 2014, the City issued \$224,000 of Parity Water Revenue Bonds, Series 2014 with 3.5% interest. The bonds were purchased by the Utah Permanent Community Fund Board. The bonds are secured by the water revenues of the City. The bonds are payable monthly beginning April 14, 2015 and ending February 14, 2054. A reserve fund of \$9,384 is required to be funded over 72 months beginning May of 2014. The balance of the reserve fund at June 30, 2023 is \$9,384.

The following is a summary of debt service charges for the 2014 CIB Parity Water Revenue Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,095	\$ 5,289	\$ 9,384
2025	4,210	5,174	9,384
2026	4,326	5,058	9,384
2027	4,447	4,937	9,384
2028	4,571	4,813	9,384
2029-2033	24,837	22,083	46,920
2034-2038	28,493	18,427	46,920
2039-2043	32,688	14,232	46,920
2044-2048	37,501	9,419	46,920
2049-2053	43,023	3,897	46,920
2054	5,990	61	6,051
	<u>\$ 194,181</u>	<u>\$ 93,390</u>	<u>\$ 287,571</u>

The Water Revenue and Parity Revenue Bonds are secured by revenues from water sales. The following is a summary of total debt service charges for the water system:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 99,273	\$ 33,562	\$ 132,835
2025	100,024	32,817	132,841
2026	75,664	32,046	107,710
2027	76,471	31,249	107,720
2028	77,303	30,473	107,776
2029-2033	390,024	137,456	527,480
2034-2038	170,490	111,990	282,480
2039-2043	200,585	85,066	285,651
2044-2048	236,179	46,301	282,480
2049-2053	166,312	10,211	176,523
2054	5,990	61	6,051
	<u>\$ 1,598,315</u>	<u>\$ 551,232</u>	<u>\$ 2,149,547</u>

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG TERM DEBT (CONTINUED)

Sewer System:

CIB Wastewater Revenue Bond, Series 2013:

On May 14, 2013 the City issued Wastewater Revenue Bonds in the amount of \$450,000 for the purpose of paying the cost of wastewater improvements. The bond dated March 1, 2013 and maturing March 1, 2044 carries and interest rate of 1.5% and requires yearly payments of \$12,000 to \$18,000. The bonds are secured from revenues generated by the wastewater system.

The following is a summary of debt service charges for the Wastewater Revenue Bond:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
March 1,			
2024	\$ 14,000	\$ 5,025	\$ 19,025
2025	14,000	4,815	18,815
2026	14,000	4,605	18,605
2027	14,000	4,395	18,395
2028	15,000	4,185	19,185
2029-2033	76,000	17,550	93,550
2034-2038	82,000	11,685	93,685
2039-2043	88,000	5,355	93,355
2044	18,000	270	18,270
	<u>\$ 335,000</u>	<u>\$ 57,885</u>	<u>\$ 392,885</u>

CIB DWQ Wastewater Revenue Bond, Series 2018:

On April 26, 2018 the City issued DWQ Wastewater Revenue Bonds in the amount of \$2,557,000 for the purpose of paying the cost of wastewater improvements. The bond dated April 26, 2018 and maturing October 1, 2049 carries and interest rate of 1.5% and requires yearly payments of \$106,000 to \$108,000. The bonds are secured from revenues generated by the wastewater system.

The following is a summary of debt service charges for the DWQ Wastewater Revenue Bond:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
October 1,			
2023	\$ 71,000	\$ 31,585	\$ 102,585
2024	72,000	30,520	102,520
2025	73,000	29,440	102,440
2026	74,000	28,345	102,345
2027	76,000	27,235	103,235
2028-2032	395,000	116,839	511,839
2033-2037	426,000	86,283	512,283
2038-2042	459,000	53,344	512,344
2043-2047	459,654	25,784	485,438
	<u>\$ 2,105,654</u>	<u>\$ 429,375</u>	<u>\$ 2,535,029</u>

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG TERM DEBT (CONTINUED)
Storm Water System:

Storm Water Revenue Refunding Bonds, Series 2018:

On August 28, 2018 the City issued Storm Water Revenue Refunding Bonds, in the amount of \$323,000 for the purpose of refunding the 2008 Storm Water Revenue Bonds. The bonds dated August 28, 2018, and maturing on June 15, 2033, carries an annual interest rate between 1.95% and 3.70% and requires annual payments of between \$16,000 and \$27,000. The bonds are secured from revenues generated by the storm water system.

The following is a summary of debt service charges for the Storm Water Revenue Refunding Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 15,			
2024	\$ 20,000	\$ 6,237	\$ 26,237
2025	21,000	6,013	27,013
2026	21,000	5,700	26,700
2027	22,000	5,239	27,239
2028	22,000	4,704	26,704
2029-2033	<u>125,000</u>	<u>13,230</u>	<u>138,230</u>
	<u>\$ 231,000</u>	<u>\$ 41,123</u>	<u>\$ 272,123</u>

Parity Storm Water Revenue Bond, Series 2021:

On October 8, 2019, the City issued Storm Water Revenue Bonds, in the amount of \$1,425,000 for the purpose of installing and improving the storm drain system in the City. The bonds mature on January 1, 2050, carry an annual interest rate of 1.00% and require annual payments of between \$50,000 and \$58,000. The bonds are secured from revenues generated by the storm water system.

The following is a summary of debt service charges for the Storm Water Revenue Refunding Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
January 1,			
2024	\$ 38,000	\$ 13,070	\$ 51,070
2025	39,000	12,690	51,690
2026	39,000	12,300	51,300
2027	40,000	11,910	51,910
2028	40,000	11,510	51,510
2029-2033	223,000	51,310	274,310
2034-2038	246,000	39,530	285,530
2039-2043	259,000	26,970	285,970
2044-2048	271,000	13,780	284,780
2049-2050	<u>112,000</u>	<u>1,680</u>	<u>113,680</u>
	<u>\$ 1,307,000</u>	<u>\$ 194,750</u>	<u>\$ 1,501,750</u>

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG TERM DEBT (CONTINUED)

Electric System:

Electric Revenue Bond, Series 2018:

On March 30, 2018 the City issued Electric Revenue Bonds in the amount of \$1,400,000 for the purpose of paying the cost of electric power system improvements. The bond dated March 30, 2018 and maturing April 1, 2027 carries an interest rate of 2.43% and requires yearly payments of \$125,000 to \$156,000. The bonds are secured from revenues generated by the electric system.

The following is a summary of debt service charges for the Electric System Revenue Bond:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
March 1,			
2024	\$ 145,000	\$ 14,604	\$ 159,604
2025	148,000	11,081	159,081
2026	152,000	7,484	159,484
2027	156,000	3,791	159,791
	<u>\$ 601,000</u>	<u>\$ 36,960</u>	<u>\$ 637,960</u>

The following is a summary of total debt service charges to maturity for business-type activities:

	<u>Direct Placement</u>		<u>Direct Borrowing</u>		<u>Total</u>
	<u>Bonds</u>		<u>Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 387,273	\$ 104,083	\$ 5,143	\$ -	\$ 496,499
2025	394,024	97,936	5,139	-	497,099
2026	374,664	91,575	-	-	466,239
2027	382,471	84,929	-	-	467,400
2028	230,303	78,107	-	-	308,410
2029-2033	1,209,024	336,385	-	-	1,545,409
2034-2038	924,490	249,488	-	-	1,173,978
2039-2043	1,006,585	170,735	-	-	1,177,320
2044-2048	984,833	86,135	-	-	1,070,968
2049-2053	278,312	278,312	-	-	556,624
2054	5,990	61	-	-	6,051
	<u>\$6,177,969</u>	<u>\$ 1,577,746</u>	<u>\$ 10,282</u>	<u>\$ -</u>	<u>\$ 7,765,997</u>

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The following is a schedule of changes in Business-Type long-term debt:

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Total Authorized</u>	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
Business-Type Activities:								
Revenue Obligation:								
Water								
SJWCD Bond	1983	0.0%	\$ 800,000	\$ 60,000	\$ -	\$ 20,000	\$ 40,000	\$ 20,000
SJWCD Contract	1997	0.0%	144,000	15,425	-	5,143	10,282	5,143
USDA Parity Revenue Bond	2009	4.3%	266,000	224,404	-	4,543	219,861	4,543
2012A Parity Revenue Bond	2012	3.375%	686,000	584,818	-	12,519	572,299	12,519
2012B Parity Revenue Bond	2012	3.0%	74,000	63,047	-	1,355	61,692	1,355
2012A Parity Revenue Bond	2012	0.0%	250,000	142,000	-	12,000	130,000	12,000
2013A Parity Revenue Bond	2013	0.0%	750,000	408,000	-	38,000	370,000	38,000
2014 Parity Revenue Bond	2014	3.5%	224,000	198,166	-	3,985	194,181	3,985
Total Water System			<u>3,194,000</u>	<u>1,695,860</u>	<u>-</u>	<u>97,545</u>	<u>1,598,315</u>	<u>97,545</u>
Sewer								
Wastewater Revenue Bond	2013	1.50%	450,000	349,000	-	14,000	335,000	14,000
DWQ Wastewater Revenue Bond	2018	1.50%	2,557,000	2,175,654	-	70,000	2,105,654	70,000
Total Sewer System			<u>3,007,000</u>	<u>2,524,654</u>	<u>-</u>	<u>84,000</u>	<u>2,440,654</u>	<u>84,000</u>
Storm Water:								
State Bank Refunding	2018	1.95% - 3.70%	323,000	251,000	-	20,000	231,000	20,000
2020 Parity Revenue Bond	2020	1.0%	1,425,000	1,345,000	-	38,000	1,307,000	38,000
Total Storm Water System			<u>1,748,000</u>	<u>1,596,000</u>	<u>-</u>	<u>58,000</u>	<u>1,538,000</u>	<u>58,000</u>
Electricity:								
Electric Revenue Bond	2017	2.43%	1,400,000	742,000	-	141,000	601,000	141,000
Total Revenue Obligations			<u>9,349,000</u>	<u>6,558,514</u>	<u>-</u>	<u>380,545</u>	<u>6,177,969</u>	<u>380,545</u>
General Obligation:								
Net Pension Liability			-	-	185,784	-	185,784	-
Accrued Compensated Absences			-	150,496	-	24,257	126,239	-
Total General Obligation			<u>-</u>	<u>150,496</u>	<u>185,784</u>	<u>24,257</u>	<u>312,023</u>	<u>-</u>
Total Business-Type Long-Term Debt			<u>\$ 9,349,000</u>	<u>\$ 6,709,010</u>	<u>\$ 185,784</u>	<u>\$ 404,802</u>	<u>\$ 6,489,992</u>	<u>\$ 380,545</u>

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 6 - BOND RESERVES

The following is a summary of changes in Bond Reserves:

	<u>Maximum Required</u>	<u>Balance June 30, 2022</u>	<u>Annual Deposit</u>	<u>Balance June 30, 2023</u>
Business-Type Funds:				
USDA Water Bonds, 2012A	\$ 29,892	\$ 29,892	\$ -	\$ 29,892
USDA Water Bonds, 2012A - M	31,704	31,704	-	31,704
USDA Water Bonds, 2012B	3,228	3,228	-	3,228
CIB Water Bonds, 2012A	13,000	13,000	-	13,000
CIB Water Bonds, 2013A	38,000	38,000	-	38,000
CIB Water Bonds, 2014	9,384	9,384	-	9,384
CIB Waste Water Bonds, 2013	19,235	19,235	-	19,235
CIB Waste Water Bonds, 2013-S	19,015	6,412	269	6,681
CIB Waste Water Bonds, 2018	106,471	44,350	10,644	54,994
CIB Waste Water Bonds, 2018-S	70,903	68,423	2,480	70,903
CIB Waste Water Bonds, 2018-E	53,236	22,150	5,316	27,466
CIB Storm Water Bonds, 2021-S	21,596	21,438	158	21,596
CIB Storm Water Bonds, 2021	57,420	15,791	5,742	21,533
	<u>\$ 473,084</u>	<u>\$ 323,007</u>	<u>\$ 24,609</u>	<u>\$ 347,616</u>
Total Bond Reserves - Bus.	<u>\$ 473,084</u>	<u>\$ 323,007</u>	<u>\$ 24,609</u>	<u>\$ 347,616</u>

NOTE 7 - COMPENSATED ABSENCES

Compensated absences of Blanding City in the proprietary fund and the governmental fund represent accrued vacation at year end in the amount of \$310,321.

The following is a schedule of changes in compensated absences:

	<u>Balance June 30, 2022</u>	<u>Net Change</u>		<u>Balance June 30, 2023</u>
		<u>Increases</u>	<u>Decreases</u>	
Governmental	\$ 180,801	\$ 3,282	\$ -	\$ 184,083
Proprietary Fund	150,496	-	24,258	126,238
Total Compensated Absences	<u>\$ 331,297</u>	<u>\$ 3,282</u>	<u>\$ 24,258</u>	<u>\$ 310,321</u>

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 8 - CLASS C ROAD FUND

The following schedule outlines the transactions in the Class C Road Fund for the fiscal year ended June 30, 2023:

Balance - Beginning of Year		\$ 594,000
Receipts:		
Class C Road Allotment	\$ 279,265	
Interest Earnings	<u>4,366</u>	
Total Receipts		283,631
Disbursements		<u>(2,076)</u>
Balance - End of Year		<u>\$ 875,555</u>

NOTE 9 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries and disasters. The City maintains insurance coverage for most all risks through the Utah Local Government Trust including general liability, errors and omissions, property damage, and other coverages. The Trust also provides medical and health coverage for the City.

Claims have not exceeded coverage in any of the last three calendar years.

NOTE 10 - TAX ABATEMENTS

Blanding City negotiates property tax abatement agreements on an individual basis. The City has utilized the Community Reinvestment Agency to establish abatement agreements. Each agreement was negotiated under Utah Code Section 17C which allows the use of funds for community development projects and stipulated a percentage of property tax valuation above a specified base for which the property tax paid would be returned to the paying party. The percentage of abatement will be set by resolution. As stipulated by the abatement agreements, to qualify for return of the abated amounts the party must have a business in operation, must be current in its tax payments, provide proof of current payments, and request the refund. Agreements with two entities were in effect during the year ending June 30, 2023.

NOTE 11 - ROUNDING CONVENTION

A rounding convention to the nearest whole dollar has been applied throughout this report, therefore the precision displayed in any monetary amount is plus or minus \$1. These financial statements are computer generated and the rounding convention is applied to each amount displayed in a column, whether detail item or total. As a result, without the overhead cost of manually balancing each column, the sum displayed amounts in a column may not equal the total displayed. The maximum difference between any displayed number or total and its actual value will not be more than \$1.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 12 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Inter-fund account balances as shown in the fund financial statements consisted of the following:

Note Payable reported in:	Note Receivable Reported In	
	Electric Fund	Total
Natural Gas Fund	\$ 167,731	\$ 167,731
Total Interfund Balances	\$ 167,731	\$ 167,731

On April 14, 2021 the Electric Fund of the City issued a loan in the amount of \$236,115 to the Natural Gas Fund for the purpose providing funds for ongoing operations. The loan dated April 14, 2021 and maturing July 1, 2029 carries an interest rate of 1.00% and requires yearly payments of \$24,929.51.

The following is a summary of debt service charges for the Note Receivable/Payable:

	Principal	Interest	Total
July 1,			
2024	\$ 23,252	\$ 1,677	\$ 24,929
2025	23,485	1,445	24,930
2026	23,720	1,210	24,930
2027	23,957	973	24,930
2028	24,196	733	24,929
2029	24,438	491	24,929
2030	24,683	247	24,930
	\$ 167,731	\$ 6,776	\$ 174,507

Interfund transfers for the year ended June 30, 2023 are shown in the following table:

	Transfers In	Transfers Out
General Fund	\$ 160,500	\$ 550,000
Water Fund	-	24,000
Sewer Fund	-	9,000
Electric Fund	-	90,000
Natural Gas Fund	-	30,000
Storm Water Fund	-	1,500
Solid Waste Fund	-	6,000
Capital Projects	550,000	-
Totals	\$ 710,500	\$ 710,500

Transfers are used to (1) cover costs associated with administration and overhead related to services provided by the City (2) fund future planned capital projects and, (3) fund future planned projects promoting economic growth.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN

General Information about the Pension Plan

Plan Description:

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The 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.

The Public Safety Retirement System (Public Safety System) is a cost sharing, multi-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 System's 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.

Benefits Provided:

URS provides retirement, disability, and death benefits. Retirement benefits are as shown on the following page.

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN (CONTINUED)
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% or 4% depending upon 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 Firefighter System	Highest 5 years	25 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.5% per year to June 2020 2.0% per year July 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.

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 URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2023, are as shown on following page:

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN (CONTINUED)

Utah Retirement Systems:

	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k) Plan</u>
Contributory System			
111 - Local Governmental Division - Tier 2	-	16.01%	0.18%
Noncontributory System			
15 - Local Governmental Division - Tier 1	-	17.97%	-
Public Safety System:			
Contributory:			
23 - Other Division A with 2.5% COLA	12.29%	22.79%	-
122 - Tier 2 DB Hybrid Public Safety	2.59%	25.83%	-
Noncontributory:			
43 - Other Division A with 2.5% COLA	-	34.04%	-
Tier 2 DC Only			
211 - Local Government	-	63.19%	10.00%
222 - Public Safety	-	11.83%	14.00%

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

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

	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 108,233	\$ -
Public Safety System	55,048	-
Tier 2 Public Employees System	58,950	-
Tier 2 Public Safety and Firefighter	36,151	3,625
Tier 2 DC Only System	9,567	-
	<u> </u>	<u> </u>
Total Contributions	<u>\$ 267,949</u>	<u>\$ 3,625</u>

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

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN (CONTINUED)

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

At June 30, 2023, we reported a net pension asset of \$0 and a net pension liability of \$290,105.

	(Measurement Date): December 31, 2022				
	Net Pension Asset	Net Pension Liability	Proportionate Share - 2022	Proportionate Share - 2021	Change (Decrease)
Noncontributory System	\$ -	\$ 128,510	0.0750312%	0.0764217%	-0.0013905%
Public Safety System	-	142,329	0.1100701%	0.1136428%	-0.0035727%
Tier 2 Public Employees System	-	15,527	0.0142596%	0.0159237%	-0.0016641%
Tier 2 Public Safety/ Firefighter System	-	3,739	0.0448174%	0.0575818%	-0.0127644%
Total	\$ -	\$ 290,105			

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

For the year ended June 30, 2023, we recognized pension expense of \$137,414.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 51,268	\$ 1,856
Changes in assumptions	32,284	926
Net difference between projected and actual earnings on pension plan investments	127,895	-
Changes in proportion and differences between contributions and proportionate share of contributions	7,789	9,197
Contributions subsequent to the measurement date	133,462	-
Total	\$ 352,698	\$ 11,979

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN (CONTINUED)

\$133,462 was reported as deferred outflows of resources to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

Year Ended December 31,	<u>Deferred Outflows (Inflows) of Resources (Net)</u>
2023	\$ (45,457)
2024	\$ 29
2025	\$ 52,037
2026	\$ 192,160
2027	\$ 1,618
Thereafter	\$ 6,870

Actuarial Assumptions:

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

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

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-219 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

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

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

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN (CONTINUED)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Expected Return Arithmetic Basis</u>		
	<u>Target Asset Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity Securities	35.00%	6.58%	2.30%
Debt Securities	20.00%	1.08%	0.22%
Real Assets	18.00%	5.72%	1.03%
Private Equity	12.00%	9.80%	1.18%
Absolute Return	15.00%	2.91%	0.44%
Cash and Cash Equivalents	0.00%	-0.11%	0.00%
Totals	100.00%		5.17%
			Inflation 2.50%
			Expected arithmetic nominal return 7.67%

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%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95% to 6.85% from the prior measurement date.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate:

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85%, 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%) or 1 percentage point higher (7.85%) than the current rate:

BLANDING CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 13 - PENSION PLAN (CONTINUED)

<u>System</u>	<u>1% Decrease or 5.85%</u>	<u>Discount Rate or 6.85%</u>	<u>1% Increase or 7.85%</u>
Noncontributory System	\$ 809,911	\$ 128,510	\$ (440,837)
Public Safety System	458,371	142,329	(114,688)
Tier 2 Public Employees System	67,845	15,527	(24,777)
Tier 2 Public Safety and Firefighter	29,929	3,739	(17,076)
	<u>\$ 1,366,056</u>	<u>\$ 290,105</u>	<u>\$ (597,378)</u>

Pension Plan Fiduciary Net Position:

***Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plans:

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

Blanding City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
401(K) Plan:			
Employer Contributions	\$ 16,617	\$ 17,764	\$ 13,881
Employee Contributions	\$ 37,282	\$ 35,314	\$ 24,455
Roth IRA Plan:			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 6,550	\$ 3,400	\$ 2,400

**REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

BLANDING CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETS
For The Fiscal Year Ended June 30, 2023

Budgetary Comparison Schedules:

The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual presented in this section of the report are for the City's General Fund.

Budgeting and Budgetary Control:

Budgets for the General Fund are legally required and are prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the City Council prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Current Year Budgetary Compliance:

For the year ended June 30, 2023, spending for all funds and departments of the City was within the approved budgets.

BLANDING CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For The Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		Actual Amounts	Variance With Final Budget
	<u>Original</u>	<u>Final</u>	(Budgetary Basis)	
Revenues:				
Taxes:				
General Property Taxes	\$ 306,809	\$ 306,809	\$ 278,860	\$ (27,949)
General Sales and Use Taxes	904,558	904,558	1,042,037	137,479
Room Tax	29,984	29,984	39,845	9,861
Franchise Taxes	23,000	23,000	23,718	718
Total Taxes	<u>1,264,351</u>	<u>1,264,351</u>	<u>1,384,460</u>	<u>120,109</u>
Licenses and Permits	<u>23,915</u>	<u>23,915</u>	<u>42,141</u>	<u>18,226</u>
Intergovernmental Revenue:				
Class C Road	280,000	280,000	279,265	(735)
State Liquor Allotment	8,000	8,000	11,637	3,637
State Grants	149,500	149,500	20,247	(129,253)
Federal Grants	60,000	60,000	9,000	(51,000)
Contributions from County	64,401	64,401	100,000	35,599
Total Intergovernmental Revenue	<u>561,901</u>	<u>561,901</u>	<u>420,149</u>	<u>(141,752)</u>
Charges for Services:				
Airport	<u>42,054</u>	<u>42,054</u>	<u>39,027</u>	<u>(3,027)</u>
Fines and Forfeitures	<u>180,000</u>	<u>180,000</u>	<u>138,009</u>	<u>(41,991)</u>
Miscellaneous:				
Interest	30,500	30,500	425,406	394,906
Recreation Revenue	34,600	34,600	20,265	(14,335)
Visitor's Center	13,300	13,300	13,815	515
Wellness Center Revenue	190,000	190,000	217,350	27,350
Sale of Surplus Property	15,800	15,800	1,394	(14,406)
Miscellaneous	130,874	130,874	152,258	21,384
Total Miscellaneous Revenue	<u>415,074</u>	<u>415,074</u>	<u>830,488</u>	<u>415,414</u>
Contributions and Transfers:				
Fund Balance Appropriated	6,000	6,000	-	(6,000)
Transfers In	<u>160,500</u>	<u>160,500</u>	<u>160,500</u>	<u>-</u>
Total Contributions and Transfers	<u>166,500</u>	<u>166,500</u>	<u>160,500</u>	<u>(6,000)</u>
Total Revenues	<u>\$ 2,653,795</u>	<u>\$ 2,653,795</u>	<u>\$ 3,014,774</u>	<u>\$ 360,979</u>

BLANDING CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For The Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		Actual Amounts	Variance With Final Budget
	<u>Original</u>	<u>Final</u>	(Budgetary Basis) (See Note A)	
Expenditures:				
General Government:				
Legislative	\$ 14,656	\$ 14,656	\$ 15,068	\$ (412)
Judicial	161,176	161,176	143,708	17,468
Administration	86,415	86,415	74,664	11,751
Attorney	10,800	10,800	8,693	2,107
Planning and Zoning	64,015	64,015	77,263	(13,248)
Total General Government	<u>337,062</u>	<u>337,062</u>	<u>319,396</u>	<u>17,666</u>
Public Safety:				
Police	845,777	845,777	749,371	96,406
Fire	149,030	149,030	68,393	80,637
Total Public Safety	<u>994,807</u>	<u>994,807</u>	<u>817,764</u>	<u>177,043</u>
Highway and Public Improvements:				
Construction and Maintenance	100,048	100,048	101,571	(1,523)
City Engineer	29,055	29,055	26,229	2,826
Class C Roads - Bond Payment	-	-	2,076	(2,076)
Total Highways and Public Improvements	<u>129,103</u>	<u>129,103</u>	<u>129,876</u>	<u>(773)</u>
Parks and Recreation:				
Visitor's Center	139,822	139,822	135,676	4,146
Parks	266,057	266,057	281,626	(15,569)
Wellness Center	401,060	401,060	391,542	9,518
Total Parks and Recreation	<u>806,939</u>	<u>806,939</u>	<u>808,844</u>	<u>(1,905)</u>
Miscellaneous:				
Airport	17,510	17,510	9,959	7,551
Transfers In (Out)	<u>368,374</u>	<u>368,374</u>	<u>550,000</u>	<u>(181,626)</u>
Total Expenditures	<u>2,653,795</u>	<u>2,653,795</u>	<u>2,635,839</u>	<u>17,956</u>
Excess Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	378,935	<u>\$ 378,935</u>
Fund Balance - Beginning			<u>2,642,000</u>	
Fund Balance - Ending			<u>\$ 3,020,935</u>	

BLANDING CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
Measurement Date of December 31, 2022
June 30, 2023
Last 10 Fiscal Years*

	Noncontributory Retirement System	Public Safety Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighter Retirement System
Proportion of the Net Pension Liability (Asset)				
2014	0.0926158%	0.1104256%	0.0082119%	0.0186931%
2015	0.0820545%	0.1153445%	0.0106732%	0.0621595%
2016	0.0818853%	0.1207075%	0.0123761%	0.0544802%
2017	0.0808854%	0.1387556%	0.0166501%	0.0325426%
2018	0.0810380%	0.1644007%	0.0190057%	0.0322714%
2019	0.0827764%	0.1234238%	0.0190669%	0.0536723%
2020	0.0793577%	0.1006203%	0.0177415%	0.0514765%
2021	0.0764217%	0.1136428%	0.0159237%	0.0575818%
2022	0.0750312%	0.1100701%	0.0142596%	0.0448174%
Proportionate Share of the Net Pension Liability (Asset)				
2014	\$ 402,160	\$ 138,869	\$ (249)	\$ (277)
2015	\$ 464,304	\$ 206,611	\$ (23)	\$ (908)
2016	\$ 525,804	\$ 244,949	\$ 1,381	\$ (473)
2017	\$ 354,383	\$ 217,660	\$ 1,468	\$ (377)
2018	\$ 604,590	\$ 422,935	\$ 8,140	\$ 809
2019	\$ 311,973	\$ 198,171	\$ 4,288	\$ 5,049
2020	\$ 40,706	\$ 83,539	\$ 2,552	\$ 4,617
2021	\$ (437,675)	\$ (92,294)	\$ (6,740)	\$ (2,910)
2022	\$ 128,510	\$ 142,329	\$ 15,527	\$ 3,739
Covered Employee Payroll				
2014	\$ 800,386	\$ 219,959	\$ 40,260	\$ 7,799
2015	\$ 706,198	\$ 166,174	\$ 68,956	\$ 36,991
2016	\$ 720,519	\$ 169,646	\$ 101,493	\$ 45,013
2017	\$ 692,549	\$ 204,843	\$ 162,721	\$ 34,377
2018	\$ 698,846	\$ 243,040	\$ 221,422	\$ 43,201
2019	\$ 704,548	\$ 168,187	\$ 265,012	\$ 88,468
2020	\$ 671,340	\$ 131,412	\$ 283,634	\$ 102,168
2021	\$ 621,917	\$ 142,387	\$ 295,900	\$ 137,700
2022	\$ 647,665	\$ 151,370	\$ 310,856	\$ 137,893
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll				
2014	50.20%	63.10%	-0.60%	-3.60%
2015	65.75%	124.33%	-0.03%	-2.45%
2016	72.98%	144.39%	1.36%	-1.05%
2017	51.17%	106.26%	0.90%	-1.10%
2018	86.51%	174.02%	3.68%	1.87%
2019	44.28%	117.83%	1.62%	5.71%
2020	6.06%	63.57%	0.90%	4.52%
2021	-70.38%	-64.82%	-2.28%	-2.11%
2022	19.84%	94.03%	4.99%	2.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)				
2014	90.20%	90.50%	103.50%	120.50%
2015	87.80%	87.10%	100.20%	110.70%
2016	87.30%	86.50%	95.10%	103.60%
2017	91.90%	90.20%	97.40%	103.00%
2018	87.00%	84.70%	90.80%	95.60%
2019	93.70%	90.90%	96.50%	89.60%
2020	99.20%	95.50%	98.30%	93.10%
2021	108.70%	104.20%	103.80%	102.80%
2022	97.50%	93.60%	92.30%	96.40%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. This schedule will need to be built prospectively. The schedule above is for 2014 through 2022.

BLANDING CITY
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
June 30, 2023

	As of Fiscal Year Ended June 30,	Actuarial Determined Contributions	Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions As a Percentage of Covered Employee Payroll
Noncontributory System	2014	\$ 138,514	\$ 138,514	\$ -	\$ 798,679	17.34%
	2015	\$ 138,801	\$ 138,801	\$ -	\$ 834,169	16.64%
	2016	\$ 131,110	\$ 131,110	\$ -	\$ 709,855	18.47%
	2017	\$ 131,299	\$ 131,299	\$ -	\$ 710,880	18.47%
	2018	\$ 127,892	\$ 127,892	\$ -	\$ 692,429	18.47%
	2019	\$ 132,439	\$ 132,439	\$ -	\$ 717,048	18.47%
	2020	\$ 127,959	\$ 127,959	\$ -	\$ 692,793	18.47%
	2021	\$ 116,145	\$ 116,145	\$ -	\$ 628,833	18.47%
	2022	\$ 119,086	\$ 119,086	\$ -	\$ 644,756	18.47%
	2023	\$ 108,233	\$ 108,233	\$ -	\$ 602,299	17.97%
Public Safety System	2014	\$ 49,467	\$ 49,467	\$ -	\$ 237,737	20.81%
	2015	\$ 57,601	\$ 57,601	\$ -	\$ 202,205	28.49%
	2016	\$ 52,093	\$ 52,093	\$ -	\$ 153,036	34.04%
	2017	\$ 64,779	\$ 64,779	\$ -	\$ 192,591	33.64%
	2018	\$ 76,583	\$ 76,583	\$ -	\$ 224,978	34.04%
	2019	\$ 69,931	\$ 69,931	\$ -	\$ 205,438	34.04%
	2020	\$ 51,841	\$ 51,841	\$ -	\$ 152,295	34.04%
	2021	\$ 46,008	\$ 46,008	\$ -	\$ 135,158	34.04%
	2022	\$ 49,691	\$ 49,691	\$ -	\$ 145,978	34.04%
	2023	\$ 55,048	\$ 55,048	\$ -	\$ 161,712	34.04%
Tier 2 Public Employees System*	2014	\$ 2,826	\$ 2,826	\$ -	\$ 20,200	13.99%
	2015	\$ 7,896	\$ 7,896	\$ -	\$ 52,851	14.94%
	2016	\$ 10,999	\$ 10,999	\$ -	\$ 73,759	14.91%
	2017	\$ 19,304	\$ 19,304	\$ -	\$ 129,468	14.91%
	2018	\$ 28,095	\$ 28,095	\$ -	\$ 185,937	15.11%
	2019	\$ 37,472	\$ 37,472	\$ -	\$ 241,136	15.54%
	2020	\$ 41,692	\$ 41,692	\$ -	\$ 266,230	15.66%
	2021	\$ 47,184	\$ 47,184	\$ -	\$ 298,635	15.80%
	2022	\$ 46,068	\$ 46,068	\$ -	\$ 286,670	16.07%
	2023	\$ 58,950	\$ 58,950	\$ -	\$ 368,209	16.01%

BLANDING CITY
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
June 30, 2023

	As of Fiscal Year Ended June 30,	Actuarial Determined Contributions	Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions As a Percentage of Covered Employee Payroll
Tier 2 Public Safety and Firefighter System*	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	\$ 5,548	\$ 5,548	\$ -	\$ 24,601	22.55%
	2016	\$ 9,587	\$ 9,587	\$ -	\$ 42,603	22.50%
	2017	\$ 9,701	\$ 9,701	\$ -	\$ 43,115	22.50%
	2018	\$ 7,922	\$ 7,922	\$ -	\$ 35,099	22.57%
	2019	\$ 14,186	\$ 14,186	\$ -	\$ 61,438	23.09%
	2020	\$ 20,954	\$ 20,954	\$ -	\$ 90,606	23.13%
	2021	\$ 31,083	\$ 31,083	\$ -	\$ 120,339	25.83%
	2022	\$ 36,582	\$ 36,582	\$ -	\$ 141,626	25.83%
	2023	\$ 36,151	\$ 36,151	\$ -	\$ 139,951	25.83%
Tier 2 Public Employees DC Only System*	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	\$ -	\$ -	\$ -	\$ -	0.00%
	2016	\$ -	\$ -	\$ -	\$ -	0.00%
	2017	\$ -	\$ -	\$ -	\$ -	0.00%
	2018	\$ -	\$ -	\$ -	\$ -	0.00%
	2019	\$ -	\$ -	\$ -	\$ -	0.00%
	2020	\$ 3,003	\$ 3,003	\$ -	\$ 44,882	6.69%
	2021	\$ 5,979	\$ 5,979	\$ -	\$ 89,369	6.69%
	2022	\$ 10,133	\$ 10,133	\$ -	\$ 151,460	6.69%
	2023	\$ 9,567	\$ 9,567	\$ -	\$ 154,550	6.19%

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

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative practices.

BLANDING CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
UTAH RETIREMENT SYSTEMS
For The Fiscal Year Ended June 30, 2023

Changes in Assumptions:

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

**COMBINING FINANCIAL
STATEMENTS**

BLANDING CITY
NONMAJOR PROPRIETARY FUNDS
For The Fiscal Year Ended June 30, 2023

PROPRIETARY FUNDS

Proprietary Funds are used to account for revenues and expenses resulting from providing services and producing and delivering goods in connection with the funds principal ongoing operations.

Solid Waste Fund:

This fund is used to account for revenues and expenditures relating to solid waste management in the City.

EDA Arts Fund:

This fund accounts for the City's participation in the EDA Arts building on the college campus.

**BLANDING CITY
COMBINING BALANCE SHEET
NONMAJOR PROPRIETARY FUNDS
June 30, 2023**

	Solid Waste Fund	EDA Arts Fund	Total Nonmajor Funds
ASSETS			
Current Assets:			
Cash and Investments:			
Unrestricted	\$ 491,560	\$ -	\$ 491,560
Accounts Receivable - Net	29,809	-	29,809
Total Current Assets	521,369	-	521,369
Noncurrent Assets:			
Capital Assets:			
Not Being Depreciated	-	1,307,615	1,307,615
Net of Accumulated Depreciation	14,165	-	14,165
Total Noncurrent Assets	14,165	1,307,615	1,321,780
TOTAL ASSETS	535,534	1,307,615	1,843,149
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pensions	3,605	-	3,605
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 539,139	\$ 1,307,615	\$ 1,846,754
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 18,999	\$ -	\$ 18,999
Total Current Liabilities	18,999	-	18,999
Noncurrent Liabilities:			
Net Pension Liability	2,965	-	2,965
Compensated Absences	1,071	-	1,071
Total Noncurrent Liabilities	4,036	-	4,036
TOTAL LIABILITIES	23,035	-	23,035
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions	122	-	122
NET POSITION			
Net Investment In Capital Assets	14,165	1,307,615	1,321,780
Unrestricted	501,817	-	501,817
TOTAL NET POSITION	515,982	1,307,615	1,823,597
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 539,139	\$ 1,307,615	\$ 1,846,754

BLANDING CITY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
For The Year Ended June 30, 2023

	<u>Solid Waste Fund</u>	<u>EDA Arts Fund</u>	<u>Total Nonmajor Funds</u>
Operating Revenues:			
Charges for Services:			
Sanitation	\$ 316,561	\$ -	\$ 316,561
 Total Operating Revenues	 <u>316,561</u>	 <u>-</u>	 <u>316,561</u>
Operating Expenses:			
Salaries	13,540	-	13,540
Fringe Benefits	4,747	-	4,747
Materials and Supplies	45	-	45
Utilities	200	-	200
Insurance	1,000	-	1,000
Professional and Technical	252,329	-	252,329
Depreciation	590	-	590
 Total Operating Expenses	 <u>272,451</u>	 <u>-</u>	 <u>272,451</u>
 Operating Income	 <u>44,110</u>	 <u>-</u>	 <u>44,110</u>
Nonoperating Revenues (Expenses):			
Net Pension Expense Related to Pensions	1,060	-	1,060
Operating Transfers Out	(6,000)	-	(6,000)
 Total Nonoperating Revenue (Expense)	 <u>(4,940)</u>	 <u>-</u>	 <u>(4,940)</u>
 Change in Net Position	 39,170	 -	 39,170
 Net Position - Beginning	 <u>476,812</u>	 <u>1,307,615</u>	 <u>1,784,427</u>
 Net Position - Ending	 <u>\$ 515,982</u>	 <u>\$ 1,307,615</u>	 <u>\$ 1,823,597</u>

BLANDING CITY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For The Year Ended June 30, 2023

	<u>Solid Waste Fund</u>	<u>Total Nonmajor Funds</u>
Cash Flows From Operating Activities:		
Receipts From Customers	\$ 309,427	\$ 309,427
Payments to Supplies	(234,800)	(234,800)
Payments to Employees	<u>(18,286)</u>	<u>(18,286)</u>
Net Cash Provided by Operating Activities	<u>56,341</u>	<u>56,341</u>
Cash Flows from Investing Activities:		
Transfer to Other Fund	<u>(6,000)</u>	<u>(6,000)</u>
Net Cash Provided From Investing Activities	<u>(6,000)</u>	<u>(6,000)</u>
Increase (Decrease) Cash and Investments	50,341	50,341
Cash and Investments - Beginning	<u>441,219</u>	<u>441,219</u>
Cash and Investments - Ending	<u><u>\$ 491,560</u></u>	<u><u>\$ 491,560</u></u>
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:		
Operating Income	<u>\$ 44,111</u>	<u>\$ 44,111</u>
Adjustments to Reconcile Operating Income To Net Cash Provided By Operating Activities:		
Depreciation	590	590
Increase (Decrease) in Operating Assets:		
Accounts Receivable	(7,133)	(7,133)
Accounts Payable	<u>18,773</u>	<u>18,773</u>
Total Adjustments	<u>12,230</u>	<u>12,230</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 56,341</u></u>	<u><u>\$ 56,341</u></u>

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is used to assist in formatting for easier reading)

COMPLIANCE SECTION

Kimball & Roberts

A Professional Corporation
Certified Public Accountants
176 North Main • P.O. Box 663
Richfield, Utah 84701

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

Honorable Mayor and City Council
Blanding City
Blanding, Utah 84511

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-type activities, the business-type activities, each major fund and the aggregate remaining fund information of Blanding City, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Blanding City's financial statements, and have issued our report thereon dated October 2, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing or 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.

Kimball & Roberts, PC

Certified Public Accountants

October 2, 2023
Richfield, Utah

Kimball & Roberts

A Professional Corporation
Certified Public Accountants
176 North Main • P.O. Box 663
Richfield, Utah 84701

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

Honorable Mayor and City Council
Blanding City
Blanding, Utah 84511

Report on Compliance with General State Compliance Requirements

We have audited Blanding City's compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2023.

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

Budgetary Compliance	Fraud Risk Assessment
Fund Balance	Governmental Fees
Justice Courts	Open and Public Meetings Act
Impact Fees	Public Treasurer's Bond
Cash Management	Utah Retirements Systems
Interfund Loans	Restricted Taxes and Related Revenues

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on General State Compliance Requirements

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

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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

Kimball & Roberts, PC

Certified Public Accountants

October 2, 2023
Richfield, Utah