

Midway City Council
19 January 2021
Regular Meeting

Financial Statements /
Audit Report



**Financial Statements and
Supplementary Data with
Independent Auditor's Report
for the Year Ended
June 30, 2020**

**MIDWAY CITY
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS
YEAR ENDED JUNE 30, 2020**

TABLE OF CONTENTS

Independent Auditor’s Report	1-2
Management’s Discussion and Analysis	3-7

Basic Financial Statements:

Government Wide Financial Statements:

Statement of Net Position	8
Statement of Activities	9

Governmental Funds Statements:

Balance Sheet – Governmental Funds	10
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	13

Proprietary Fund Statements:

Statement of Net Position – Proprietary Funds	14
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	15
Statement of Cash Flows – Proprietary Funds	16

Notes to the Financial Statements	17-42
---	-------

Required Supplementary Information:

Schedule of Revenues, Expenditures, and Changes to Fund Balances Budget and Actual – General Fund	43-44
Schedule of the Proportionate Share of the Net Pension Liability	45-46
Schedule of Contributions	47-48
Notes to the Required Supplementary Information	49

Supplementary Information:

Combining Balance Sheet – Nonmajor funds	50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor funds	51

Auditor’s Reports:

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	52-53
---	-------

Independent Auditor’s Report on Compliance and on Internal Controls Over Compliance in Accordance with the <i>State of Utah Legal Compliance Audit Guide</i>	54-55
---	-------

MIDWAY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

This document is a narrative overview and analysis of the financial activities of Midway City for the fiscal year ending June 30, 2020. Midway City management encourages readers to consider the information presented here in conjunction with the financial statements, which follow this section. To help the reader with navigation of this report the city's activities are classified in the following manner: government activities include basic services such as public safety, public works, parks and recreation, cemetery and general government administration, while business-type activities include water and ice rink. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the City.

Basic Financial Statements

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the community owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Government activities reflect capital assets including infrastructure and long-term liabilities. Business-type activities have long reported capital assets and long-term liabilities.
- The Statement of Activities focuses gross and net costs of city programs and the extent to which such programs rely upon general tax and revenues. This statement summarizes the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on major government funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major government funds are presented in their own column and the remaining funds are combined into a column titled "Other Government Funds." A budgetary comparison is presented for the general fund, which is the only fund for which a budget is legally adopted. Statements for the City's proprietary funds follow the governmental funds and include net position, revenues, expenses and changes in net position, and cash flow.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

Readers desiring additional information on nonmajor funds can find it in the Combining Statements of Nonmajor Funds section of this report. Completing the financial section of the report are schedules on capital assets and other financial schedules.

The Management's Discussion and Analysis is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

**MIDWAY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Government-wide Financial Statements

A condensed version of the Statement of Net Position at June 30, 2020 and 2019 follows:

	Governmental Activities		Business-Type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
ASSETS						
Cash and investments	\$13,382,654	\$ 8,179,963	\$ 5,419,759	\$ 4,604,304	\$18,802,413	\$12,784,267
Other assets	1,915,111	1,304,357	4,628,835	4,162,748	6,543,946	5,467,105
Capital assets, net	<u>23,973,917</u>	<u>21,795,575</u>	<u>43,707,601</u>	<u>38,745,374</u>	<u>67,681,518</u>	<u>60,540,949</u>
Total assets	<u>39,271,682</u>	<u>31,279,895</u>	<u>53,756,195</u>	<u>47,512,426</u>	<u>93,027,877</u>	<u>78,792,321</u>
Deferred outflows of resources	<u>130,421</u>	<u>221,177</u>	<u>21,214</u>	<u>37,519</u>	<u>151,635</u>	<u>258,696</u>
Total assets and deferred outflows	<u>39,402,103</u>	<u>31,501,072</u>	<u>53,777,409</u>	<u>47,549,945</u>	<u>93,179,512</u>	<u>79,051,017</u>
LIABILITIES						
Current liabilities	1,795,450	1,616,276	385,240	176,669	2,180,690	1,792,945
Noncurrent liabilities	<u>5,531,305</u>	<u>525,072</u>	<u>32,616</u>	<u>66,655</u>	<u>5,563,921</u>	<u>591,727</u>
Total liabilities	<u>7,326,755</u>	<u>2,141,348</u>	<u>417,856</u>	<u>243,324</u>	<u>7,744,611</u>	<u>2,384,672</u>
Deferred inflows of resources	<u>1,301,064</u>	<u>826,628</u>	<u>22,014</u>	<u>3,498</u>	<u>1,323,078</u>	<u>830,126</u>
Total liabilities & deferred inflows	<u>8,627,819</u>	<u>2,967,976</u>	<u>439,870</u>	<u>246,822</u>	<u>9,067,689</u>	<u>3,214,798</u>
NET POSITION						
Net investment in capital assets	23,973,917	21,795,575	43,707,601	38,745,374	67,681,518	60,540,949
Restricted	938,635	1,517,409	-	-	938,635	1,517,409
Unrestricted	<u>5,861,732</u>	<u>5,220,112</u>	<u>9,629,938</u>	<u>8,557,749</u>	<u>15,491,670</u>	<u>13,777,861</u>
Total net position	<u>\$30,774,284</u>	<u>\$28,533,096</u>	<u>\$53,337,539</u>	<u>\$47,303,123</u>	<u>\$84,111,823</u>	<u>\$75,836,219</u>

During the year ended June 30, 2020 there were some significant events that changed the components of net position. An explanation of these events follows:

Governmental Activities:

- Cash has increased by \$5,202,691 compared to 2019, mostly due to proceeds from the sale of bonds.
- The City invested a net increase of \$2,178,342 in capital assets with \$1,768,177 in new purchased assets and contributed capital of \$1,350,080. Depreciation expense was \$939,915.

**MIDWAY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Business-type Activities:

- The business-type activities saw an increase in cash of \$815,455.
- Capital was also contributed to the Water Fund from developers in the form of infrastructure and water stock. The total amount contributed came to \$373,882 for infrastructure and \$4,041,750 for water stock. A condensed version of the Statement of Activities follows:

A condensed version of the Statement of Activities at June 30, 2020 and 2019 follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Program revenues:						
Charges for services	\$ 1,334,408	\$ 1,062,926	\$ 1,596,183	\$ 1,548,530	\$ 2,930,591	\$ 2,611,456
Operating grants	317,725	299,220	-	-	317,725	299,220
Capital grants	1,865,183	2,399,550	4,675,532	2,319,373	6,540,715	4,718,923
General revenues:						
Taxes	3,427,823	3,166,596	-	-	3,427,823	3,166,596
Interest	92,225	290,714	617,939	559,760	710,164	850,474
Miscellaneous	42,328	38,424	-	-	42,328	38,424
Transfers	(120,186)	(38,050)	120,186	38,050	-	-
Total revenues	<u>6,959,506</u>	<u>7,219,380</u>	<u>7,009,840</u>	<u>4,465,713</u>	<u>13,969,346</u>	<u>11,685,093</u>
Expenses:						
General government	2,202,785	1,937,435	-	-	2,202,785	1,937,435
Public safety	282,083	281,299	-	-	282,083	281,299
Economic development	76,430	105,877	-	-	76,430	105,877
Highway and public works	1,102,868	975,360	-	-	1,102,868	975,360
Parks and recreation	519,320	506,845	-	-	519,320	506,845
Cemetery	534,832	152,698	-	-	534,832	152,698
Water	-	-	858,439	1,025,273	858,439	1,025,273
Ice rink	-	-	116,985	100,763	116,985	100,763
Total expenses	<u>4,718,318</u>	<u>3,959,514</u>	<u>975,424</u>	<u>1,126,036</u>	<u>5,693,742</u>	<u>5,085,550</u>
Change in net position	<u>2,241,188</u>	<u>3,259,866</u>	<u>6,034,416</u>	<u>3,339,677</u>	<u>8,275,604</u>	<u>6,599,543</u>
Beginning net position	<u>28,533,096</u>	<u>25,273,230</u>	<u>47,303,123</u>	<u>43,963,446</u>	<u>75,836,219</u>	<u>69,236,676</u>
Ending net position	<u>\$30,774,284</u>	<u>\$28,533,096</u>	<u>\$ 53,337,539</u>	<u>\$ 47,303,123</u>	<u>\$ 84,111,823</u>	<u>\$ 75,836,219</u>

**MIDWAY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Governmental Activities:

For the year ended June 30, 2020, the total revenues for the governmental activities were \$6,959,506. Program revenues totaled \$3,517,316. The major sources of program revenues are building permits, impact fees, and contributed capital. Charges for services increased by \$271,482 compared to the prior year. General revenues for the year totaled \$3,442,190, which is netted with the transfer to business-type activities in the amount of \$120,186. The major sources of general revenues are taxes and interest earnings. Taxes comprise 49% of the City's general fund revenues.

Business-type Activities:

The total revenues for the business-type activities were \$7,009,840. Program revenues total \$6,271,715. The majority of the revenue is from charges for services of the enterprise funds, as well as water stock contributed capital, which increased substantially in 2020. The general revenues in the business-type activities consist of \$617,939 in interest and a transfer in from governmental activities of \$120,186. The water fund had operating income of \$665,215 while the ice rink fund had an operating loss of \$44,456. The Water Fund received \$4,415,632 in capital contributions in the form of infrastructure and water stock.

Budgetary Highlights

Over the course of the year the City Council revised the budget to make modifications to accommodate unexpected expenditures and revenues. In total, the general fund's expenditures were \$502,270 less than was budgeted. In total, the actual revenues in the general fund were \$265,587 above the budgeted amounts.

Capital Assets

At June 30, 2020 the City had \$67,681,518 invested in capital assets, including park and recreation facilities, buildings, roads, bridges, water lines, and the ice rink facilities. This amount represents a net increase (additions, deductions, and depreciation) of \$7,140,569 or 11.79% over last year.

Capital Assets at Year-end

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 4,805,399	\$ 4,331,636	\$ -	\$ -	\$ 4,805,399	\$ 4,331,636
Construction in progress	1,101,387	671,843	457,052	117,570	1,558,439	789,413
Water stock	-	-	30,763,800	26,722,050	30,763,800	26,722,050
Buildings	3,814,016	3,666,999	25,053	25,053	3,839,069	3,692,052
Improvements	3,394,561	2,939,714	-	-	3,394,561	2,939,714
Infrastructure	19,033,711	17,582,063	15,860,108	14,909,806	34,893,819	32,491,869
Machinery & equipment	1,549,773	1,459,395	500,760	466,539	2,050,533	1,925,934
Vehicles	784,097	713,037	-	-	784,097	713,037
Ice rink	-	-	317,678	339,015	317,678	339,015
Subtotal	34,482,944	31,364,687	47,924,451	42,580,033	82,407,395	73,944,720
Accum depreciation	(10,509,027)	(9,569,112)	(4,216,850)	(3,834,659)	(14,725,877)	(13,403,771)
Capital assets, net	<u>\$ 23,973,917</u>	<u>\$ 21,795,575</u>	<u>\$ 43,707,601</u>	<u>\$ 38,745,374</u>	<u>\$ 67,681,518</u>	<u>\$ 60,540,949</u>

**MIDWAY CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

Capital Assets (Continued)

The most significant additions to capital assets in the governmental activities were \$147,017 for renovation of the town hall, \$429,544 in construction in progress on various projects at year end, \$90,378 on new equipment, \$454,847 on park improvements including \$126,910 of contributed capital, \$1,451,647 in new infrastructure including \$749,407 in contributed capital, and \$71,060 in new vehicles.

The most significant additions to capital assets in the business-type activities were \$703,267 in water system improvements, \$339,482 in construction on the 600 North water line and contributed capital of \$373,882.

Debt Outstanding

At year-end, the City had \$36,000 on the outstanding lease revenue bond versus \$48,000 last year, a decrease of \$12,000. New 2020 bonds were issued for a total bond balance of \$4,820,000 with an additional \$372,027 in bond premiums.

There was a total of \$12,000 in debt retired during the year.

A more detailed description on long-term liabilities is provided in the footnotes to the financial statements.

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City's Recorder at PO Box 277, Midway, Utah 84049.

BASIC FINANCIAL STATEMENTS

MIDWAY CITY
STATEMENT OF NET POSITION
JUNE 30, 2020

Assets	Governmental Activities	Business-type Activities	Total
Cash	\$ 12,444,019	\$ 5,419,759	\$ 17,863,778
Restricted cash	938,635	-	938,635
Accounts receivable (net)	193,331	83,744	277,075
Prepaid expenses	54,578	-	54,578
Due from other governments	1,667,202	-	1,667,202
Inventory	-	20,000	20,000
Investment in joint venture	-	4,525,091	4,525,091
Capital assets:			
Land	4,805,399	-	4,805,399
Construction in progress	1,101,387	457,052	1,558,439
Water stock	-	30,763,800	30,763,800
Buildings	3,814,016	25,053	3,839,069
Improvements	3,394,561	-	3,394,561
Infrastructure	19,033,711	15,860,108	34,893,819
Machinery and equipment	2,333,870	500,760	2,834,630
Ice rink	-	317,678	317,678
Less accumulated depreciation	<u>(10,509,027)</u>	<u>(4,216,850)</u>	<u>(14,725,877)</u>
Total capital assets, net	<u>23,973,917</u>	<u>43,707,601</u>	<u>67,681,518</u>
Total assets	<u>39,271,682</u>	<u>53,756,195</u>	<u>93,027,877</u>
Deferred outflows of resources			
Deferred outflows of resources - pensions	<u>130,421</u>	<u>21,214</u>	<u>151,635</u>
Total assets and deferred outflows of resources	<u>39,402,103</u>	<u>53,777,409</u>	<u>93,179,512</u>
Liabilities			
Accounts payable	375,950	357,173	733,123
Accrued liabilities	40,466	-	40,466
Deposits and bonds	1,379,034	28,067	1,407,101
Noncurrent liabilities:			
Due in less than one year	157,000	-	157,000
Due in more than one year	<u>5,374,305</u>	<u>32,616</u>	<u>5,406,921</u>
Total liabilities	<u>7,326,755</u>	<u>417,856</u>	<u>7,744,611</u>
Deferred inflows of resources			
Unavailable revenues - property taxes	1,171,633	-	1,171,633
Deferred inflows of resources - pensions	<u>129,431</u>	<u>22,014</u>	<u>151,445</u>
Total liabilities and deferred inflows of resources	<u>8,627,819</u>	<u>439,870</u>	<u>9,067,689</u>
NET POSITION			
Net investment in capital assets	23,973,917	43,707,601	67,681,518
Restricted for:			
Class "C" roads	609,142	-	609,142
Highway tax	-	-	-
Impact fees	-	-	-
Perpetual care	329,493	-	329,493
Unrestricted	<u>5,861,732</u>	<u>9,629,938</u>	<u>15,491,670</u>
Total net position	<u>\$ 30,774,284</u>	<u>\$ 53,337,539</u>	<u>\$ 84,111,823</u>

The accompanying notes are an integral part of these financial statements.

**MIDWAY CITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Revenues				Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/programs							
Governmental activities							
General government	\$ 2,202,785	\$ 734,573	\$ -	\$ -	\$ (1,468,212)	\$ -	\$ (1,468,212)
Public safety	282,083	7,819	55,073	-	(219,191)	-	(219,191)
Economic development	76,430	403,533	-	-	327,103	-	327,103
Highways and public works	1,102,868	140,786	262,652	1,534,195	834,765	-	834,765
Parks and recreation	519,320	20,447	-	330,988	(167,885)	-	(167,885)
Cemetery	534,832	27,250	-	-	(507,582)	-	(507,582)
Total governmental activities	<u>4,718,318</u>	<u>1,334,408</u>	<u>317,725</u>	<u>1,865,183</u>	<u>(1,201,002)</u>	<u>-</u>	<u>(1,201,002)</u>
Business-type activities							
Water	858,439	1,523,654	-	4,675,532	-	5,340,747	5,340,747
Ice rink	116,985	72,529	-	-	-	(44,456)	(44,456)
Total business-type activities	<u>975,424</u>	<u>1,596,183</u>	<u>-</u>	<u>4,675,532</u>	<u>-</u>	<u>5,296,291</u>	<u>5,296,291</u>
Total government	<u>\$ 5,693,742</u>	<u>\$ 2,930,591</u>	<u>\$ 317,725</u>	<u>\$ 6,540,715</u>	<u>(1,201,002)</u>	<u>5,296,291</u>	<u>4,095,289</u>
General revenues:							
Taxes							
Property					907,868	-	907,868
Sales and use					966,788	-	966,788
Telecommunication and franchise					472,088	-	472,088
Room tax					91,989	-	91,989
Resort tax					766,939	-	766,939
Highway tax					222,151	-	222,151
Interest and investment earnings					92,225	617,939	710,164
Miscellaneous					42,328	-	42,328
Transfers					(120,186)	120,186	-
Total general revenues and transfers					<u>3,442,190</u>	<u>738,125</u>	<u>4,180,315</u>
Change in net position					<u>2,241,188</u>	<u>6,034,416</u>	<u>8,275,604</u>
Net position at beginning of year					<u>28,533,096</u>	<u>47,303,123</u>	<u>75,836,219</u>
Net position at end of year					<u>\$ 30,774,284</u>	<u>\$ 53,337,539</u>	<u>\$ 84,111,823</u>

The accompanying notes are an integral part of these financial statements.

**MIDWAY CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	General	Capital Projects	MBA	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 1,375,139	\$ 6,012,728	\$ 5,045,619	\$ 10,533	\$ 12,444,019
Restricted cash	-	609,142	-	329,493	938,635
Accounts receivable	193,331	-	-	-	193,331
Prepaid expenses	54,578	-	-	-	54,578
Due from other governments	1,667,202	-	-	-	1,667,202
TOTAL ASSETS	\$ 3,290,250	\$ 6,621,870	\$ 5,045,619	\$ 340,026	\$ 15,297,765
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 146,501	\$ 216,449	\$ 13,000	\$ -	\$ 375,950
Accrued liabilities	40,466	-	-	-	40,466
Deposits and bonds	1,379,034	-	-	-	1,379,034
TOTAL LIABILITIES	1,566,001	216,449	13,000	-	1,795,450
DEFERRED INFLOWS OF RESOURCES	1,171,633	-	-	-	1,171,633
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,737,634	216,449	13,000	-	2,967,083
FUND BALANCES					
Unspendable:					
Prepaid expense	54,578	-	-	-	54,578
Restricted for:					
Class C roads	-	609,142	-	-	609,142
Highway tax	-	-	-	-	-
Park impact fees	-	-	-	-	-
Trails impact fees	-	-	-	-	-
Transportation impact fees	-	-	-	-	-
Perpetual care	-	-	-	329,493	329,493
Committed:					
Park construction	-	81,407	-	-	81,407
Assigned:					
Capital projects	-	5,714,872	-	-	5,714,872
CDRA fund	-	-	-	10,533	10,533
MBA fund	-	-	5,032,619	-	5,032,619
Unassigned	552,616	-	-	-	552,616
TOTAL FUND BALANCES	552,616	6,405,421	5,032,619	340,026	12,330,682
TOTAL LIABILITIES, DEFERRED OUTFLOWS AND FUND BALANCES	\$ 3,290,250	\$ 6,621,870	\$ 5,045,619	\$ 340,026	\$ 15,297,765

The accompanying notes are an integral part of these financial statements.

MIDWAY CITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

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

Total fund balances--total governmental funds	\$ 12,330,682
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the fund financial statements.	23,973,917
Net pension assets used in governmental activities are not financial resources and , therefore, are not reported in the funds.	-
Deferred outflows of resources, a consumption of net position that applies to future periods, is not shown in the fund statements.	130,421
Deferred inflows of resources, a use of net position that applies to future periods, is not shown in the fund statements.	(129,431)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements. Those liabilities consist of:	
Net pension liability	(231,517)
MBA lease revenue bonds	(36,000)
MBA bond payable	(4,820,000)
MBA unamortized premium	(372,027)
Compensated absences	<u>(71,761)</u>
Net position of governmental activities	<u>\$ 30,774,284</u>

The accompanying notes are an integral part of these financial statements.

MIDWAY CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General	Capital Projects	MBA	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 3,427,823	\$ -	\$ -	\$ -	\$ 3,427,823
Licenses and permits	741,576	-	-	-	741,576
Intergovernmental	317,725	-	-	-	317,725
Charges for services	563,319	-	-	-	563,319
Other revenues	74,968	82,045	7,053	-	164,066
Impact fees	-	515,103	-	-	515,103
Interfund services provided	-	-	-	-	-
Total revenues	5,125,411	597,148	7,053	-	5,729,612
EXPENDITURES					
Current operating:					
General government	2,066,222	27,437	13,000	-	2,106,659
Public safety	281,974	-	-	-	281,974
Economic development	25,000	-	-	51,430	76,430
Highways and public works	161,544	209,621	-	-	371,165
Parks and recreation	308,757	74,609	-	-	383,366
Cemetery	119,415	245,012	-	-	364,427
Tourism and culture	18,204	-	-	-	18,204
Debt service:					
Principal	-	-	12,000	-	12,000
Interest	-	-	1,200	-	1,200
Other	-	-	165,954	-	165,954
Capital outlay					
General government	-	147,017	-	-	147,017
Highways and public works	-	672,285	-	-	672,285
Parks and recreation	-	948,875	-	-	948,875
Cemetery	-	-	-	-	-
Total expenditures	2,981,116	2,324,856	192,154	51,430	5,549,556
Excess of revenues over (under) expenditures	2,144,295	(1,727,708)	(185,101)	(51,430)	180,056
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of bonds	-	-	5,192,027	-	5,192,027
Transfers-in	-	2,534,751	14,280	51,430	2,600,461
Transfers-out	(2,720,647)	-	-	-	(2,720,647)
Total other financing sources (uses)	(2,720,647)	2,534,751	5,206,307	51,430	5,071,841
Net change in fund balances	(576,352)	807,043	5,021,206	-	5,251,897
Fund balances at beginning of year	1,128,968	5,598,378	11,413	340,026	7,078,785
Fund balances at end of year	\$ 552,616	\$ 6,405,421	\$ 5,032,619	\$ 340,026	\$ 12,330,682

The accompanying notes are an integral part of these financial statements.

MIDWAY CITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Net change in fund balance, total governmental funds \$ 5,251,897

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

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital additions exceeded depreciation in the current period.

Capital outlays	1,768,177	
Depreciation expense	<u>(939,915)</u>	828,262

The disposition of capital assets results in the reporting of proceeds in the fund financial statements, but the net book value of the asset is reduced in the statement of activities.

-

The Statement of Activities includes the net pension benefit (expense) from the adoption of GASB 68, which is not included in the fund financial statements.

(4,355)

Capital assets contributed by developers constitute revenues on the government-wide financial statements.

1,350,080

Long-term liabilities are not recorded in the governmental funds, but are reported in the statement of net position. These are the changes in these liabilities and are reported in the statements of activities:

Bond proceeds	(5,192,027)	
Amortization of bond premium	-	
Payment on bonds payable	12,000	
Net change of compensated absences	(4,669)	<u>(5,184,696)</u>

Change in net position of governmental activities

\$ 2,241,188

The accompanying notes are an integral part of these financial statements.

MIDWAY CITY
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Water	Ice Rink	Total
ASSETS			
Current assets:			
Cash	\$ 5,230,315	\$ 189,444	\$ 5,419,759
Accounts receivable (net)	13,976	69,768	83,744
Inventory	20,000	-	20,000
Total current assets	5,264,291	259,212	5,523,503
Noncurrent assets:			
Investment in joint venture	4,525,091	-	4,525,091
Capital assets:			
Water stock	30,763,800	-	30,763,800
Construction in progress	457,052	-	457,052
Water distribution system	15,860,108	-	15,860,108
Buildings	-	25,053	25,053
Machinery and equipment	133,861	366,899	500,760
Ice sheet	-	317,678	317,678
Less accumulated depreciation	(3,917,400)	(299,450)	(4,216,850)
Total capital assets, net	43,297,421	410,180	43,707,601
Total noncurrent assets	47,822,512	410,180	48,232,692
Total assets	53,086,803	669,392	53,756,195
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources relating to pensions	19,885	1,329	21,214
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 53,106,688	\$ 670,721	\$ 53,777,409
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 344,371	\$ 12,802	\$ 357,173
Customer deposits	28,067	-	28,067
Total current liabilities	372,438	12,802	385,240
Noncurrent liabilities:			
Net pension liability	29,330	3,286	32,616
Total noncurrent liabilities	29,330	3,286	32,616
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources relating to pensions	20,873	1,141	22,014
TOTAL LIABILITIES AND DEFERRED INFLOWS	422,641	17,229	439,870
NET POSITION			
Net investment in capital assets	43,297,421	410,180	43,707,601
Restricted for impact fees	-	-	-
Unrestricted	9,386,626	243,312	9,629,938
Total net position	52,684,047	653,492	53,337,539
Total liabilities, deferred inflows and net position	\$ 53,106,688	\$ 670,721	\$ 53,777,409

The accompanying notes are an integral part of these financial statements.

MIDWAY CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Water</u>	<u>Ice Rink</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 1,373,554	\$ 72,529	\$ 1,446,083
Connection fees	150,100	-	150,100
Total operating revenues	<u>1,523,654</u>	<u>72,529</u>	<u>1,596,183</u>
Operating expenses:			
Salaries and benefits	160,306	46,107	206,413
Maintenance and supplies	160,484	22,196	182,680
Professional and technical	13,322	-	13,322
Utilities	41,188	18,893	60,081
Depreciation	354,583	27,609	382,192
Contracted services	77,775	2,180	79,955
Irrigation assessment	-	-	-
Other	50,781	-	50,781
Total operating expenses	<u>858,439</u>	<u>116,985</u>	<u>975,424</u>
Operating income (loss)	<u>665,215</u>	<u>(44,456)</u>	<u>620,759</u>
Nonoperating revenues (expenses)			
Interest revenue	172,114	-	172,114
Joint venture income (loss)	445,825	-	445,825
Impact fees	259,900	-	259,900
Total nonoperating revenues (expenses)	<u>877,839</u>	<u>-</u>	<u>877,839</u>
Net income (loss) before contributions	<u>1,543,054</u>	<u>(44,456)</u>	<u>1,498,598</u>
Capital contributions	4,415,632	-	4,415,632
Transfers in (out)	-	120,186	120,186
Change in net position	<u>5,958,686</u>	<u>75,730</u>	<u>6,034,416</u>
Total net position - beginning	<u>46,725,361</u>	<u>577,762</u>	<u>47,303,123</u>
Total net position - ending	<u>\$ 52,684,047</u>	<u>\$ 653,492</u>	<u>\$ 53,337,539</u>

The accompanying notes are an integral part of these financial statements.

MIDWAY CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Water</u>	<u>Ice Rink</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from customers	\$ 1,526,284	\$ 2,761	\$ 1,529,045
Cash paid to suppliers	(147,780)	(30,469)	(178,249)
Cash paid to employees	(159,554)	(46,077)	(205,631)
Net cash provided (used) by operating activities	<u>1,218,950</u>	<u>(73,785)</u>	<u>1,145,165</u>
Cash flows from noncapital financing activities			
Transfers in/out	-	120,186	120,186
Net cash used in noncapital financing activities	<u>-</u>	<u>120,186</u>	<u>120,186</u>
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(915,902)	(12,883)	(928,785)
Impact fees collected	259,900	-	259,900
Net cash in capital and related financing activities	<u>(656,002)</u>	<u>(12,883)</u>	<u>(668,885)</u>
Cash flows from investing activities			
Interest on investments	172,114	-	172,114
Dividends from joint venture	46,875	-	46,875
Net cash provided by investing activities	<u>218,989</u>	<u>-</u>	<u>218,989</u>
Net increase (decrease) in cash	781,937	33,518	815,455
Cash - July 1	<u>4,448,378</u>	<u>155,926</u>	<u>4,604,304</u>
Cash - June 30	<u>\$ 5,230,315</u>	<u>\$ 189,444</u>	<u>\$ 5,419,759</u>
Noncash investing and financing:			
Contributions from developers	<u>4,415,632</u>	<u>-</u>	<u>4,415,632</u>
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ 665,215	\$ (44,456)	\$ 620,759
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	354,583	27,609	\$ 382,192
Changes in assets, liabilities, deferred outflows/inflows:			
Accounts receivable	2,630	(69,768)	(67,138)
Accounts payable	-	12,800	12,800
Customer deposits	-	-	-
Accounts payable - related to capital	195,770	-	195,770
Net pension liability	752	30	782
Net cash provided by operating activities	<u>\$ 1,218,950</u>	<u>\$ (73,785)</u>	<u>\$ 1,145,165</u>

The accompanying notes are an integral part of these financial statements.

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

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

B. Reporting Entity

Midway City Corporation was incorporated June 1, 1891 by the State of Utah. The City operates under a Mayor-Council form of government and provides the following services: public safety, highways and public improvements, community development, parks, sanitation, health and social services, planning and zoning, and general administrative services.

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

1. Primary government.
2. Municipal Building Authority as a blended component unit.
3. Community Development and Renewal Agency (CDRA) as a blended component unit.
4. Backnet Organization as a blended component unit.

Blended component units, although legally separate entities, are, in substance, part of the government's operations. They are reported as part of the primary government and blended with the appropriate funds.

The Municipal Building Authority was created on May 3, 2000, under the provisions of the Utah Municipal Building Authority Act. The object and purposes are to acquire, improve, or extend one or more projects and to finance their costs on behalf of the City in accordance with and subject to the limitations of the Utah Municipal Building Authority Act and subject to prior authorization by the governing body of the City.

The Midway City Community Development and Renewal Agency (CDRA) was established to further public purposes in the development and renewal of certain city areas. The agency is reported as a blended component unit and is reported in its own fund.

Backnet is a law enforcement task force that has been established to provide additional law enforcement in the surrounding region. The City receives grants on behalf of Backnet and handles the accounting of these reimbursement grants inside the City's General Fund.

C. Basic Financial Statements

The City's basic financial statements consist of the government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basic Financial Statements (continued)

Government-wide Financial Statements

Statement of Net Position - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end.

Statement of Activities - The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

D. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's various departments. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. The following fund types are used by the City:

Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following describes the major governmental funds of the City:

General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Accounting (continued)

Capital Projects Fund accumulates funds over time for the long-term capital projects of governmental type acquisition and expansion.

Municipal Building Authority Special Revenue Fund is used to account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects).

The following describes the nonmajor governmental funds of the City:

Community Development and Renewal Agency (CDRA) Special Revenue Fund was established to further public purposes in the development and renewal of certain city areas.

Perpetual Care Fund is an expendable fund for cemetery care.

Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The following is a description of the proprietary funds of the City.

Enterprise Funds account for those operations that are financed and operated in a manner similar to private business enterprises or where the governing body had decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The City's enterprise funds include the water fund and ice sheet fund.

E. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

Government-wide financial statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled utility services which are accrued. Expenses are recognized at the time liability is incurred.

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Measurement Focus/Basis of Accounting (continued)

Fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available").

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. The government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, licenses, and interest are susceptible to accrual. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

F. Assets, Liabilities and Equity

Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Restricted Assets

Certain resources set aside as reserves in accordance with state statutes, grant requirements, or debt covenants are classified as restricted assets because their use is limited.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Equity (continued)

Receivables and Payables

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids.

Capital Assets

Capital assets which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds.

All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more and over three years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	30 - 50
Improvements	20 - 40
Equipment	5-10
Infrastructure	20-40

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay and sick leave are accrued when incurred and are reported as a liability. Amounts not expected to be liquidated with expendable available financial resources are reported in the Statement of Net Position as a noncurrent liability.

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Equity (continued)

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.

Long-term Liabilities

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities consist primarily of notes payable and bonds payable.

Long-term liabilities for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Deferred Inflows and Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category. It is the deferred contributions and differences between projected and actual earnings on its pension plan assets.

In addition to liabilities, the statement of net position reports 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only two types of items reported under this category. First, unavailable revenue-property taxes are reported as deferred inflows of resources since they are recognized as receivables before the period for which the taxes are levied. The second type is related to the City's pension plan. The City participates in the Utah Retirement Systems and has deferred inflows of resources associated with differences between expected and actual experience and changes in assumptions.

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Equity (continued)

Equity Classifications

Government-wide Statements

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

- a. Net investment in capital assets— Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- 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.”

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

Fund Statements

The City has adopted GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions. The statement applies only to fund financial statements and not to government-wide statements or proprietary fund statements. Proprietary fund equity is classified the same as in the government-wide statements. The fund balances may be classified as follows:

- a. Non-spendable – Fund balances that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted fund balance – Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, by law through constitutional provisions or enabling legislation, or restrictions set by creditors, grantors, or contributors.
- c. Committed fund balance – Fund balances are reported as committed when the Council formally designates the use of resources by ordinance or resolution for a specific purpose and cannot be used for any other purpose unless the City Council likewise formally changes the use.
- d. Assigned fund balance – Fund balances are reported as assigned when the City Council or Management intends to use funds for a specific purpose. Normally funds are assigned by the appropriation process of setting the budget. Additionally, funds in special revenue, debt service, and capital project funds are by their nature assigned to the purpose of those respective funds.
- e. Unassigned fund balance – Fund balances in the general fund are reported as unassigned when they are neither restricted, committed, nor assigned. They may be used for any governmental purpose.

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Equity (continued)

Fund Statements (continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spend first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

G. Revenues and Expenditures

Interfund Transactions

Interfund services provided and used are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursement, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as non-operating transfers.

Property Tax

Real property taxes are collected by the County Treasurer and remitted to the City after collection. Taxes are due and payable on November 1st and delinquent after 12 o'clock noon on November 30th of each year. The tax levy is established by June 15th with a lien date of January 1st. Property tax revenue is not recognized when levied, because it is not expected to be collected within 60 days after the end of the fiscal year.

Operating Revenues and Expenses

Operating revenues and expenses in the proprietary funds consist of those revenues that result from the ongoing principal operations of the City. Operating revenues consist of charges for services. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing type activities and result from nonexchange transactions or ancillary activities.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Information

Annual budgets are prepared and adopted in accordance with the "Uniform Fiscal Procedures Act for Utah cities" by the Midway City Municipal Council on or before June 15th for the following fiscal year, which begins on July 1. Budgets may be increased by resolution of the Municipal Council at any time during the year, following a public hearing. Budgets are adopted at sub-department levels; however, budget amendments by resolution are generally required only if the department desires to exceed its total budget appropriation.

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

Budget Information (continued)

The City adheres to the following procedures in establishing the budgetary data in the financial statements:

1. On or before May 1st, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to the formal adoption of the budget the City Council will hold budget workshop meetings, which are open to the public.
3. Prior to June 15th the City Council sets a date for a public budget hearing at which time taxpayers' comments are heard. Copies of the proposed budget are made available for public inspection 10 days prior to the budget hearing. At the conclusion of the budget hearing the budget, as amended, is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund, Capital Projects Fund, Special Revenue Funds, and Enterprise Funds.
5. Budgets for the General Fund are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Budgets for the proprietary fund types are prepared using the accrual basis of accounting except that depreciation for all proprietary fund types is not budgeted. Budgeted amounts are as originally adopted, or as amended by the City Council during the fiscal year.
6. Unencumbered budget appropriations lapse at the end of the fiscal year.

Fund Equity Restrictions

Restricted for Class "C" Road - Reserve required to be kept that accounts for the receipt of class "C" road revenues and expenditures.

Restricted for Highway Tax- The City has imposed an additional tax on sales, the tax revenues are restricted for Highway use only, similar to Class C Road funds.

Restricted for Impact Fees - The City Council passed an ordinance providing for specific impact fees on all new construction. Impact fees include fees for parks, trails, transportation, and water. These fees are to be reserved for current and future costs to help defray a portion of the costs that naturally result from increased development.

Restricted for Perpetual Care - The City Council passed an ordinance providing for perpetual care fees to be set aside for maintenance at the City cemetery.

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3. DEPOSITS AND INVESTMENTS

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

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

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

Deposits

Custodial credit risk – Custodial credit risk is the risk that, in the event of a bank failure, the City'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, 2020, \$405,549 of the City's bank balances of \$655,549 was uninsured and uncollateralized.

Investments

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

The City follows the requirements of the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of 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 repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund.

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

The Utah State Treasurer’s Office operates the Public Treasurers’ Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (*Utah Code*, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant’s average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At June 30, 2020, the City had the following recurring fair value measurements.

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Investments by fair value level				
Debt securities:				
Utah Public Treasurer's Investment Fund	\$ 18,386,413	\$ -	\$ 18,386,413	\$ -
Total debt securities	\$ 18,386,413	\$ -	\$ 18,386,413	\$ -

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 year end fair value factor, as calculated by the Utah State Treasurer, to the City’s average daily balance in the Fund; and,

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by investing mainly in the Utah Public Treasurers Investment Fund and by adhering to the Money Management Act. The 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 of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less. Maturities of the City’s investments are noted in the previous table.

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3. DEPOSITS AND INVESTMENTS (continued)

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
PTIF Investments	18,386,413	18,386,413	-	-	-
	18,386,413	18,386,413	-	-	-

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City’s policy for reducing its exposure to credit risk is to comply with the State’s Money Management Act as previously discussed.

The City’s investment in the State of Utah Public Treasurer’s Investment Fund did not have a quality rating. (Unrated).

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The City’s policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar held in the portfolio. The City’s investment in the Utah Public Treasurer’s Investment Fund has no concentration of credit risk.

Custodial credit risk (investments) – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk.

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

Components of cash and investments (including interest earning deposits) at June 30, 2020, are as follows:

Cash on hand and on deposit:	
Cash on deposit	\$ 415,600
Petty cash	400
PTIF investment	<u>18,386,413</u>
Total cash and investments	<u><u>\$ 18,802,413</u></u>

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

Cash	\$ 17,863,778
Restricted cash	<u>938,635</u>
Total cash and investments	<u><u>\$ 18,802,413</u></u>

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4. ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS

Accounts receivable for the City, including the applicable allowance for uncollectible accounts at June 30, 2020, are as follows:

	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Receivables:			
Individual accounts	\$ 193,331	\$ 88,275	\$ 281,606
Sales tax	173,430	-	173,430
Highway tax	39,928	-	39,928
Resort tax	131,976	-	131,976
Room tax	9,086	-	9,086
Telecommunication tax	5,752	-	5,752
Energy sales tax	418	-	418
Franchise tax	52,941	-	52,941
Property taxes - current	17,586	-	17,586
Property taxes - unavailable	1,171,633	-	1,171,633
Class C Roads	44,803	-	44,803
Grant receivables	19,649	-	19,649
	<u>1,860,533</u>	<u>88,275</u>	<u>1,948,808</u>
Less: allowance for uncollectibles	<u>-</u>	<u>(4,531)</u>	<u>(4,531)</u>
Net total receivables	<u>\$ 1,860,533</u>	<u>\$ 83,744</u>	<u>\$ 1,944,277</u>
Statement of Net Position:			
Accounts receivable (net)	\$ 193,331	\$ 83,744	\$ 277,075
Due from other governments	<u>1,667,202</u>	<u>-</u>	<u>1,667,202</u>
	<u>\$ 1,860,533</u>	<u>\$ 83,744</u>	<u>\$ 1,944,277</u>

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5. INVESTMENT IN JOINT VENTURE

Midway City is a party to a joint venture with Heber City and Charleston. The joint venture, Heber Light & Power Company, was created by the three municipalities to provide electric services to their communities. The joint venture is governed by the Power Board elected from the mayors and city councils of the participating entities. The Power Board governs the operations of the utility through management employed by the Board. Since the joint venture is subject to the same laws as the creating entities, it must follow Utah State Law for local governments in the areas of fiscal management, budgeting, and financing. Since the government board is made up of mayors and city council appointees, each participating municipality has indirect control over these matters. The percentage share of each participant's entity is as follows:

Heber City	75.00%
Charleston	12.50%
Midway City	12.50%
	<u>100.00%</u>

	Joint Ventures	Midway City's Portion
Assets	\$ 68,797,253	\$ 8,599,657
Liabilities	32,221,523	4,027,690
Net position	<u>\$ 36,575,730</u>	<u>\$ 4,571,966</u>
Operating revenues	\$ 19,448,654	\$ 2,431,082
Operating expenses	18,383,697	2,297,962
Income from operations	1,064,957	133,120
Nonoperating income (expense)	406,924	50,866
Net income (loss)	1,471,881	183,985
Add: contributed capital	2,394,718	299,340
Less: distributions to owners	(300,000)	(37,500)
Change in net position	3,566,599	445,825
Beginning net position	33,009,131	4,126,141
Ending net position	<u>\$ 36,575,730</u>	<u>\$ 4,571,966</u>

Reconciliation to Statement of Net Position

Balance at December 31, 2019	\$ 4,571,966
Less: withdrawals between December 31st and June 30th	<u>(46,875)</u>
Balance at June 30, 2020	<u>\$ 4,525,091</u>
Midway's PY balance on TB:	4,126,141
Adjustment to bring it up to Heber L & P balance at June 30th.	<u>398,950</u>
	<u>\$ 4,525,091</u>

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6. CAPITAL ASSETS

A summary of changes in capital assets to the governmental activities follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 4,331,636	\$ 473,763	\$ -	\$ 4,805,399
Construction in Progress	671,843	429,544	-	1,101,387
Total capital assets, not being depreciated	<u>5,003,479</u>	<u>903,307</u>	<u>-</u>	<u>5,906,786</u>
Capital assets, being depreciated				
Buildings	3,666,999	147,017	-	3,814,016
Improvements - nonbuilding	2,939,714	454,847	-	3,394,561
Infrastructure	17,582,063	1,451,648	-	19,033,711
Machinery & Equipment	1,459,395	90,378	-	1,549,773
Vehicles	713,037	71,060	-	784,097
Total capital assets, being depreciated	<u>26,361,208</u>	<u>2,214,950</u>	<u>-</u>	<u>28,576,158</u>
Accumulated depreciation for:				
Buildings	(907,973)	(93,386)	-	(1,001,359)
Improvements - nonbuilding	(1,192,375)	(131,097)	-	(1,323,472)
Infrastructure	(6,133,622)	(485,598)	-	(6,619,220)
Machinery & equipment	(1,125,242)	(103,815)	-	(1,229,057)
Vehicles	(209,900)	(126,019)	-	(335,919)
Total accumulated depreciation	<u>(9,569,112)</u>	<u>(939,915)</u>	<u>-</u>	<u>(10,509,027)</u>
Total capital assets, being depreciated, net	<u>16,792,096</u>	<u>1,275,035</u>	<u>-</u>	<u>18,067,131</u>
Governmental activities capital assets, net	<u>\$ 21,795,575</u>	<u>\$ 2,178,342</u>	<u>\$ -</u>	<u>\$ 23,973,917</u>

Depreciation expense was charged to functions/departments of the primary government as follows:

Governmental Activities:

General government	\$ 88,355
Highways and public works	731,166
Parks and recreation	117,316
Cemetery	<u>3,078</u>
Total depreciation expense	<u>\$ 939,915</u>

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6. CAPITAL ASSETS (continued)

A summary of changes in capital assets to the business-type activities follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets, not being depreciated				
Water Stock	\$ 26,722,050	\$ 4,041,750	\$ -	\$ 30,763,800
Construction in progress	117,570	339,482	-	457,052
Total capital assets, not being depreciated	<u>26,839,620</u>	<u>4,381,232</u>	<u>-</u>	<u>31,220,852</u>
Capital assets, being depreciated				
Buildings	25,053	-	-	25,053
Water distribution system	14,909,808	950,302	-	15,860,110
Machinery & equipment	466,539	-	-	466,539
Ice rink	339,015	12,883	-	351,898
Total capital assets, being depreciated	<u>15,740,413</u>	<u>963,185</u>	<u>-</u>	<u>16,703,600</u>
Accumulated depreciation for:				
Buildings	(8,923)	(620)	-	(9,543)
Water distribution system	(3,428,957)	(354,584)	-	(3,783,541)
Machinery & equipment	(267,874)	(18,428)	-	(286,302)
Ice rink	(128,905)	(8,560)	-	(137,465)
Total accumulated depreciation	<u>(3,834,659)</u>	<u>(382,192)</u>	<u>-</u>	<u>(4,216,851)</u>
Total capital assets, being depreciated, net	<u>11,905,754</u>	<u>580,993</u>	<u>-</u>	<u>12,486,749</u>
Business-type activities capital assets, net	<u>\$ 38,745,374</u>	<u>\$ 4,962,225</u>	<u>\$ -</u>	<u>\$ 43,707,601</u>

Depreciation expense was charged to the proprietary funds as follows:

Business-type Activities:

Water Fund	\$ 354,583
Ice Rink Fund	<u>27,609</u>
Total depreciation expense	<u>\$ 382,192</u>

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7. INTERFUND TRANSFERS

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis. Resources are accumulated in a fund or component unit to support and simplify the administration of various projects or programs.

<u>Transfers In:</u>	<u>Transfers Out</u>		
	<u>General Fund</u>	<u>Water Fund</u>	<u>Total</u>
Capital Projects	\$ 2,534,751	\$ -	\$ 2,534,751
MBA Fund	14,280	-	14,280
CDRA Fund	51,430	-	51,430
Ice Rink	120,186	-	120,186
Totals	<u>\$ 2,720,647</u>	<u>\$ -</u>	<u>\$ 2,720,647</u>

NOTE 8. LONG TERM LIABILITIES

The Midway City Municipal Building Authority issued \$200,000 of Lease Revenue Bonds Series 2002 on May 31, 2002. The proceeds were for the purchase of additional cemetery property. The stated interest rate is 2.5% with principal repayment beginning on February 10, 2004 with annual payments to be made through 2023.

The interest expense for the Lease Revenue Bonds Series 2002 of \$1,200 has been charged as a direct expense to the Cemetery Department in the Statement of Activities.

The following is a schedule of bond maturities by year:

<u>Year Ended June 30,</u>	<u>Lease Revenue Bonds 2002</u>		
	<u>2.50%</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 12,000	\$ 900	\$ 12,900
2022	12,000	600	12,600
2023	12,000	300	12,300
Totals	<u>\$ 36,000</u>	<u>\$ 1,800</u>	<u>\$ 37,800</u>

The Midway City Municipal Building Authority entered into an agreement authorizing the issuance and confirming the sale of General Obligation Bonds Series 2020 on May 14, 2020 in the amount of \$4,820,000. The proceeds were for the preservation of open space and related improvements. The stated interest rate is 5.00% for the first \$1,975,000 in Serial Bonds with principal repayment beginning on June 15, 2021 with annual payments made in 2030. There are additional Term Bonds due every two years thereafter with a mandatory sinking fund principal payment due each year. The Term Bonds and rates are as follows:

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. LONG TERM LIABILITIES (continued)

Bond Due	Amount Due	Interest Rate
June 15,		
2032	\$ 525,000	2.000%
2034	545,000	2.125%
2036	565,000	2.250%
2038	590,000	2.250%
2040	\$ 620,000	2.375%

There was no interest expense for the General Obligation Bond recorded as of June 30, 2020. As of June 30, 2020, \$4,820,000 has been issued and \$4,820,000 is outstanding. The following is a schedule of payments due by year for the next five year, and then grouped in five year increments thereafter.

General Obligation Bonds 2020

Year Ended	Principal	Rate	Interest	Total
June 30,				
2021	\$ 145,000	5.00%	\$ 175,454	\$ 320,454
2022	165,000	5.00%	154,294	319,294
2023	175,000	5.00%	146,044	321,044
2024	185,000	5.00%	137,294	322,294
2025	190,000	5.00%	128,044	318,044
2026-2030	1,115,000	5.00%	486,969	1,601,969
2031-2035	1,350,000	2.00%-5.00%	259,950	1,609,950
2036-2040	1,495,000	2.25%-2.375%	106,094	1,601,094
Totals	\$ 4,820,000		\$ 1,594,143	\$6,414,143

Changes in Long-Term Liabilities - During the year, the following changes occurred in long-term liabilities for the governmental activities:

Governmental activities:	Balance	Additions	Reductions	Balance	Amounts Due
	June 30, 2019			June 30, 2020	Within One
					Year
Lease Revenue Bonds	\$ 48,000	\$ -	\$ (12,000)	\$ 36,000	\$ 12,000
2020 G.O. Bonds	-	4,820,000	-	4,820,000	145,000
Premium on G.O. Bonds	-	372,027	-	372,027	-
Net pension liability	420,980	-	(189,463)	231,517	-
Total debt	468,980	-	(201,463)	5,459,544	157,000
Compensated absences	67,092	4,669	-	71,761	-
<i>Total governmental activities</i>	\$ 536,072	\$ 4,669	\$ (201,463)	\$ 5,531,305	\$ 157,000

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. LONG TERM LIABILITIES (continued)

Business-type activities:	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Amounts Due Within One Year
Net pension liability	\$ 66,655	\$ -	\$ (34,039)	\$ 32,616	\$ -
<i>Total business-type activities</i>	<u>\$ 66,655</u>	<u>\$ -</u>	<u>\$ (34,039)</u>	<u>\$ 32,616</u>	<u>\$ -</u>

The remainder of this page intentionally left blank

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9. RETIREMENT SYSTEM

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:

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

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the 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.

Benefits Provided:

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

Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65*	2.0% per year all years	Up to 4%
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%

* with actuarial reductions

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

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9. RETIREMENT SYSTEM (continued)

Contributions:

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2020 are as follows:

	Employee Paid	Employer Contribution Rates	Employer rate for 401(k) Plan
Contributory System			
11 - Local Government Division Tier 1	6.00%	14.46%	N/A
111 - Local Government Division Tier 2	N/A	15.66%	1.03%
Noncontributory System			
15 - Local Government Division Tier 1	N/A	18.47%	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.69%	10.00%

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, 2020, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 96,563	N/A
Tier 2 Public Employees System	\$ 47,287	-
Tier 2 DC Only System	\$ 12,159	N/A
Total Contributions	\$ 156,009	\$ -

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.

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9. RETIREMENT SYSTEM (continued)

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

At June 30, 2020 we reported a net pension asset of \$0 and a net pension liability of \$264,133.

(Measurement Date): December 31, 2019

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2018	Change (Decrease)
Noncontributory System	\$ -	\$ 259,398	0.0688263%	0.0647429%	0.0040834%
Tier 2 Public Employees System	\$ -	\$ 4,735	0.0210507%	0.0254179%	-0.0043672%
Total Net Pension Asset/Liability	<u>\$ -</u>	<u>\$ 264,133</u>			

The net pension asset and liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2020, we recognized pension expense of \$161,004.

At June 30, 2020 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24,919	\$ 5,350
Changes in assumptions	29,495	136
Net difference between projected and actual earnings on pension plan investments	-	134,818
Changes in proportion and differences between contributions and proportionate share of contributions	16,896	11,141
Contributions subsequent to the measurement date	<u>80,325</u>	<u>-</u>
Total	<u>\$ 151,635</u>	<u>\$ 151,445</u>

\$80,326 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9. RETIREMENT SYSTEM (continued)

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

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2020	\$ (12,231)
2021	(26,263)
2022	6,582
2023	(50,885)
2024	444
Thereafter	\$ 2,216

Actuarial assumptions:

The total pension liability in the December 31, 2019 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 - 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9. RETIREMENT SYSTEM (continued)

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. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	40%	6.15%	2.46%
Debt Securities	20%	0.40%	0.08%
Real Assets	15%	5.75%	0.86%
Private Equity	9%	9.95%	0.89%
Absolute Return	16%	2.85%	0.46%
Cash and Cash Equivalents	0%	0.00%	0.00%
Totals	100%		4.75%
	Inflation		2.50%
	Expected arithmetic nominal return		7.25%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% that is net of investment expense.

Discount Rate:

The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate remained unchanged at 6.95 percent.

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9. RETIREMENT SYSTEM (continued)

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

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated used a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 810,188	\$ 259,398	\$ (199,956)
Tier 2 Public Employees System	\$ 40,827	\$ 4,735	\$ (23,159)
Total	\$ 851,015	\$ 264,133	\$ (223,115)

Pension Plan Fiduciary Net Position:

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

Defined Contribution Savings Plans:

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

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

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

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

	2020	2019	2018
401(k) Plan			
Employer Contributions	\$ 21,286	\$ 19,301	\$ 12,817
Employee Contributions	\$ 16,591	\$ 15,176	\$ 29,320
457 Plan			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	\$ 1,430	\$ 5,900	\$ 12,414
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 13,550	\$ 11,300	\$ 3,350

MIDWAY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters.

The City maintains commercial insurance for all major programs. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the prior year.

NOTE 11. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

For the year ended June 30, 2020 the City maintained expenditures within the appropriated amounts by department and by fund.

NOTE 12. COMMUNITY DEVELOPMENT AND RENEWAL AGENCY

The Midway City Community Development and Renewal Agency (CDRA) was established to further public purposes in the development and renewal of certain city areas. For the year ended June 30, 2020, the following activity occurred in the City's CDRA:

Tax increment collection from other taxing agencies	\$ 51,430
Tax increment paid to other taxing authorities	51,430
Outstanding loans to finance CDRA projects	-
Amounts expended for site improvements and preparation costs	-
Amounts expended for administrative costs	-

**REQUIRED
SUPPLEMENTARY INFORMATION**

MIDWAY CITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes:				
Current year property taxes	\$ 770,000	\$ 837,248	\$ 842,754	\$ 5,506
Fee in lieu	45,000	40,000	42,292	2,292
Redemptions	5,700	22,029	22,822	793
Sales and use taxes	825,000	930,000	966,788	36,788
Telecommunication and franchise fees	420,000	405,000	472,088	67,088
Transient room tax	110,000	97,634	91,989	(5,645)
Resort tax	650,000	720,000	766,939	46,939
Highway tax	170,000	210,000	222,151	12,151
	<u>2,995,700</u>	<u>3,261,911</u>	<u>3,427,823</u>	<u>165,912</u>
Licenses and permits:				
Business licenses	29,000	26,480	26,747	267
Building permits	300,000	415,000	429,892	14,892
Plan check fees	150,000	250,000	277,934	27,934
Other licenses	9,300	6,380	7,003	623
	<u>488,300</u>	<u>697,860</u>	<u>741,576</u>	<u>43,716</u>
Intergovernmental:				
Class "C" road fund allotment	235,000	230,000	262,652	32,652
Backnet grants	70,000	50,000	55,073	5,073
Other intergovernmental	-	-	-	-
	<u>305,000</u>	<u>280,000</u>	<u>317,725</u>	<u>37,725</u>
Charges for services:				
Sanitation District	94,000	166,637	132,536	(34,101)
Zoning and related development fees	302,790	358,000	403,533	45,533
Burial and assessments	25,000	27,000	27,250	250
	<u>421,790</u>	<u>551,637</u>	<u>563,319</u>	<u>11,682</u>
Other revenues:				
Interest earnings	6,500	2,700	3,127	427
Rents	16,875	20,672	20,447	(225)
Bond forfeiture	4,000	8,250	8,250	-
Miscellaneous revenue	32,315	36,794	43,144	6,350
	<u>59,690</u>	<u>68,416</u>	<u>74,968</u>	<u>6,552</u>
Total revenues	\$ 4,270,480	\$ 4,859,824	\$ 5,125,411	\$ 265,587

(continued)

MIDWAY CITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures:				
General government:				
Mayor and council	\$ 93,828	\$ 93,828	\$ 72,513	\$ 21,315
Administrative	396,237	396,237	422,902	(26,665)
Professional services	824,910	699,810	610,773	89,037
Contract services	100,435	137,475	125,135	12,340
Nondepartmental	461,863	40,979	28,944	12,035
Buildings	108,790	160,451	147,359	13,092
Equipment maintenance	226,490	294,128	130,463	163,665
Planning and zoning	245,215	261,866	259,849	2,017
Building safety	276,318	276,318	268,284	8,034
	<u>2,734,086</u>	<u>2,361,092</u>	<u>2,066,222</u>	<u>294,870</u>
Public safety	<u>348,809</u>	<u>359,439</u>	<u>281,974</u>	<u>77,465</u>
Economic development	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Highways and public works	<u>110,996</u>	<u>184,460</u>	<u>161,544</u>	<u>22,916</u>
Parks and recreation	<u>189,755</u>	<u>357,355</u>	<u>308,757</u>	<u>48,598</u>
Cemetery	<u>61,828</u>	<u>153,340</u>	<u>119,415</u>	<u>33,925</u>
Tourism and culture	<u>42,700</u>	<u>42,700</u>	<u>18,204</u>	<u>24,496</u>
Total expenditures	<u>3,513,174</u>	<u>3,483,386</u>	<u>2,981,116</u>	<u>502,270</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	(760,491)	(3,079,623)	(2,720,647)	(358,976)
Appropriations of fund balances	3,185	1,703,185	-	1,703,185
Total other financing sources (uses)	<u>(757,306)</u>	<u>(1,376,438)</u>	<u>(2,720,647)</u>	<u>1,344,209</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(576,352)</u>	<u>(576,352)</u>
Fund balances at beginning of year	<u>1,128,968</u>	<u>1,128,968</u>	<u>1,128,968</u>	<u>-</u>
Fund balances at end of year	<u>\$ 1,128,968</u>	<u>\$ 1,128,968</u>	<u>\$ 552,616</u>	<u>\$ (576,352)</u>

MIDWAY CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2020
with a measurement date of December 31, 2019
Last 10 fiscal years*

		Noncontributory System	Contributory Retirement System	Tier 2 Public Employees System
Proportion of the net pension liability (asset)	2020	0.0688263%	0.0000000%	0.0210507%
	2019	0.0647429%	0.0000000%	0.0254179%
	2018	0.0687327%	0.0000000%	0.0247398%
	2017	0.0702255%	0.0000000%	0.0284528%
	2016	0.0697679%	0.0000000%	0.0333319%
	2015	0.0620119%	0.0000000%	0.0238671%
Proportion share of the net pension liability (asset)	2020	\$ 259,397	\$ -	\$ 4,734
	2019	\$ 476,749	\$ -	\$ 10,886
	2018	\$ 301,139	\$ -	\$ 2,181
	2017	\$ 450,934	\$ -	\$ 3,174
	2016	\$ 394,781	\$ -	\$ (73)
	2015	\$ 269,270	\$ -	\$ (723)
Covered employee payroll	2020	\$ 502,843	\$ -	\$ 292,718
	2019	\$ 464,429	\$ -	\$ 296,765
	2018	\$ 523,041	\$ -	\$ 242,279
	2017	\$ 537,851	\$ -	\$ 233,334
	2016	\$ 527,001	\$ -	\$ 215,338
	2015	\$ 490,929	\$ -	\$ 117,502
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2020	51.59%	0.00%	1.62%
	2019	102.7%	0.00%	3.67%
	2018	57.6%	0.00%	0.90%
	2017	83.8%	0.00%	1.36%
	2016	74.9%	0.00%	-0.03%
	2015	54.8%	0.00%	-0.6%

See accompanying notes to required supplementary information
(continued)

MIDWAY CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2020
with a measurement date of December 31, 2019
Last 10 fiscal years*

		Noncontributory System	Contributory Retirement System	Tier 2 Public Employees System
Plan fiduciary net position as a percentage of the total pension liability	2020	93.7%	0.0%	96.5%
	2019	87.0%	91.2%	90.8%
	2018	91.9%	98.2%	97.4%
	2017	87.3%	92.9%	95.1%
	2016	87.8%	0.0%	100.2%
	2015	90.2%	0.0%	103.5%

* 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. The 10-year schedule will need to be built prospectively. The schedule above is only for the last six years.

See accompanying notes to required supplementary information

MIDWAY CITY
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2020
with a measurement date of December 31, 2019
Last 10 fiscal years*

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2014	\$ 82,296	\$ 82,296	\$ -	\$ 475,974	17.29%
	2015	94,169	94,169	-	509,848	18.47%
	2016	100,168	100,168	-	542,328	18.47%
	2017	97,126	97,126	-	525,858	18.47%
	2018	90,948	90,948	-	492,407	18.47%
	2019	88,749	88,749	-	480,505	18.47%
	2020	96,563	96,563	-	522,812	18.47%
Contributory System	2014	\$ 6,853	\$ 6,853	\$ -	\$ 51,608	13.28%
	2015	1,486	1,486	-	10,274	14.46%
	2016	-	-	-	-	0.00%
	2017	-	-	-	-	0.00%
	2018	-	-	-	-	0.00%
	2019	-	-	-	-	0.00%
	2020	-	-	-	-	0.00%

See accompanying notes to required supplementary information
(continued)

MIDWAY CITY
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2020
with a measurement date of December 30, 2019
Last 10 fiscal years*

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Tier 2 Public Employees System*	2014	\$ 8,560	\$ 8,560	\$ -	\$ 61,188	13.99%
	2015	27,780	27,780	-	185,947	14.94%
	2016	33,887	33,887	-	227,280	14.91%
	2017	35,458	35,458	-	237,812	14.91%
	2018	39,783	39,783	-	263,286	15.11%
	2019	47,884	47,884	-	308,135	15.54%
	2020	47,287	47,287	-	301,957	15.66%
Tier 2 Public Employees DC Only System*	2014	\$ 1,977	\$ 1,977	\$ -	\$ 35,430	5.58%
	2015	2,521	2,521	-	37,509	6.72%
	2016	4,580	4,580	-	68,456	6.69%
	2017	5,286	5,286	-	79,009	6.69%
	2018	5,791	5,791	-	85,566	6.69%
	2019	10,542	10,542	-	157,575	6.69%
	2020	12,160	12,160	-	181,757	6.69%

*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 issues.

See accompanying notes to required supplementary information

MIDWAY CITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
UTAH RETIREMENT SYSTEMS
FOR FISCAL YEAR ENDED JUNE 30, 2020

Changes in Assumptions:

As a result of the passage of SB129, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the Tier I Public Safety and Firefighter Systems, except for a 10% load at first eligibility for unreduced retirement prior to age 65.

SUPPLEMENTARY INFORMATION

**MIDWAY CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2019**

	<u>CDRA</u>	<u>Perpetual Care</u>	<u>Total Nonmajor Governmental Funds</u>
Assets			
Cash	\$ 10,533	\$ -	\$ 10,533
Restricted cash	-	329,493	329,493
Total assets	<u>\$ 10,533</u>	<u>\$ 329,493</u>	<u>\$ 340,026</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances			
Restricted for:			
Perpetual care	-	329,493	329,493
Assigned:			
MBA Fund	-	-	-
CDRA Fund	10,533	-	10,533
Total fund balances	<u>10,533</u>	<u>329,493</u>	<u>340,026</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,533</u>	<u>\$ 329,493</u>	<u>\$ 340,026</u>

MIDWAY CITY
COMBINING STATEMENT OF REVENUES,
EXPENDITURE, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>CDRA</u>	<u>Perpetual Care</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES			
Perpetual care fees	\$ -	\$ -	\$ -
Interest	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current operating:			
General government	-	-	-
Economic development	51,430	-	51,430
Debt service:			
Principal	-	-	-
Interest	-	-	-
Other	-	-	-
Total expenditures	<u>51,430</u>	<u>-</u>	<u>51,430</u>
Excess of revenues over (under) expenditures	(51,430)	-	(51,430)
OTHER FINANCING SOURCES (USES)			
Proceeds from bonds	-	-	-
Transfers-in	51,430	-	51,430
Transfers-out	-	-	-
Total other financing sources (uses)	<u>51,430</u>	<u>-</u>	<u>51,430</u>
Excess (deficiency) of revenues over expenditures	-	-	-
Fund balances at beginning of year	<u>10,533</u>	<u>329,493</u>	<u>340,026</u>
Fund balances at end of year	<u>\$ 10,533</u>	<u>\$ 329,493</u>	<u>\$ 340,026</u>

AUDITOR'S REPORTS