

**ENOCH CITY**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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# Kimball & Roberts

A Professional Corporation  
Certified Public Accountants  
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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
Enoch City  
Enoch, Utah 84721

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Enoch City as of June 30, 2022, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2022, on our consideration of Enoch City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Enoch City's internal control over financial reporting and compliance.

*Kimball & Roberts, PC*

Certified Public Accountants

October 10, 2022  
Richfield, Utah

## **ENOCH CITY MANAGEMENT'S DISCUSSION AND ANALYSIS For The Year Ended June 30, 2022**

This discussion of Enoch City's financial performance provides an overview of the City's financial activities for the year ending June 30, 2022. This report is in conjunction with the City's financial statements.

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

### **Financial Highlights**

- The assets of Enoch City exceeded its liabilities as of the close of the most recent year by \$25,434,618 (net position). Of this amount, \$4,298,581 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$2,377,629. The revenues were more than the adopted budgeted amounts, and expenditures were less than the adopted budgeted amounts in the General Fund.
- At the close of the current year, the City's governmental funds reported combined ending fund balances of \$4,284,186, an increase of \$1,372,774 in comparison with the prior year. Approximately 50 percent of this total amount, \$2,131,943 is available for spending at the government's discretion (assigned and unassigned fund balance).
- At the end of the current year, unassigned fund balance for the General Fund was \$1,415,651 or 55 percent of total General Fund expenditures.

### **Overview of the Financial Statements**

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

### **Government-wide Financial Statements**

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

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

### **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Enoch City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Enoch City can be divided into two categories: governmental funds and proprietary funds.

### **Governmental Funds**

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

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

Enoch City maintains two individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Capital Projects Fund, both of which are considered to be major funds.

The City adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the General Fund and major special revenue funds to demonstrate compliance with those budgets.

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

### **Proprietary Funds**

Enoch City maintains four types of proprietary funds. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, drainage and sanitation funds which are all considered to be a major funds of the City.

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

### **Notes To The Financial Statements**

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

### **Other Information**

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

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Enoch City, assets exceeded liabilities by \$25,434,618 at the close of the most recent fiscal year. By far the largest portion of the City's net position (69 percent) reflects its investment in capital position (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## Enoch City's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current Assets	\$ 4,821,827	\$ 3,506,714	\$ 4,016,326	\$ 4,301,257	\$ 8,838,153	\$ 7,807,971
Capital and Other Assets	3,476,946	3,237,700	15,307,096	14,221,618	18,784,042	17,459,318
<b>Total Assets</b>	<b>8,298,773</b>	<b>6,744,414</b>	<b>19,323,422</b>	<b>18,522,875</b>	<b>27,622,195</b>	<b>25,267,289</b>
Deferred Outflows Of Resources	158,750	111,230	89,295	61,461	248,045	172,691
Long-Term Liabilities	180,723	172,970	689,964	874,648	870,687	1,047,618
Other Liabilities	62,146	118,181	300,864	278,409	363,010	396,590
<b>Total Liabilities</b>	<b>242,869</b>	<b>291,151</b>	<b>990,828</b>	<b>1,153,057</b>	<b>1,233,697</b>	<b>1,444,208</b>
Deferred Inflows Of Resources	957,663	706,342	244,262	100,741	1,201,925	807,083
Net Position:						
Net Investment in Capital						
Assets	3,043,470	3,132,700	14,391,087	13,329,252	17,434,557	16,461,952
Restricted	2,152,243	1,039,945	1,549,237	1,800,445	3,701,480	2,840,390
Unrestricted	2,061,278	1,685,506	2,237,303	2,200,841	4,298,581	3,886,347
<b>Total Net Position</b>	<b>\$ 7,256,991</b>	<b>\$ 5,858,151</b>	<b>\$ 18,177,627</b>	<b>\$ 17,330,538</b>	<b>\$ 25,434,618</b>	<b>\$ 23,188,689</b>

A portion of the City's net position (12 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$4,298,581 may be used to meet the government's ongoing obligations to citizens and creditors.

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

### Governmental Activities

Governmental activities increased Enoch City's net position by \$1,530,540.



## Enoch City's Changes in Net position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 663,547	\$ 374,848	\$ 2,189,909	\$ 2,209,931	\$ 2,853,456	\$ 2,584,779
Operating Grants	1,149,657	719,351	2,000	-	1,151,657	719,351
Capital Grants	-	67,496	-	-	-	67,496
General Revenues:						
Property Taxes	624,766	505,817	-	-	624,766	505,817
Other Taxes	1,453,472	1,116,337	-	-	1,453,472	1,116,337
Impact Fees	86,000	56,000	732,900	662,595	818,900	718,595
Other Revenues:						
Other	-	-	-	20,000	-	20,000
Unrestricted	-	-	-	11,280	-	-
Investment Earnings	23,802	62,182	13,948	-	37,750	62,182
Total Revenues	4,001,244	2,902,031	2,938,757	2,903,806	6,940,001	5,794,557
Expenses:						
General Government	399,036	381,519	-	-	399,036	381,519
Public Safety	1,369,402	1,234,043	-	-	1,369,402	1,234,043
Highways and Public Improvements	540,641	694,217	-	-	540,641	694,217
Parks and Recreation	161,625	53,897	-	-	161,625	53,897
Interest Expense	-	-	20,582	21,659	20,582	21,659
Water, Sewer, Drainage and Sanitation	-	-	2,071,086	2,067,701	2,071,086	2,067,701
Total Expenses	2,470,704	2,363,676	2,091,668	2,089,360	4,562,372	4,453,036
Increase in Net Position	1,530,540	538,355	847,089	814,446	2,377,629	1,341,521
Transfers In (Out)	-	(187,403)	-	-	-	(187,403)
Net Position - Beginning - Restated	5,726,451	4,585,035	17,330,538	16,516,092	23,056,989	21,101,127
Net Position - Ending	\$ 7,256,991	\$ 4,935,987	\$ 18,177,627	\$ 17,330,538	\$ 25,434,618	\$ 22,255,245

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. Two noteworthy exceptions, however, were the City's purchase of capital assets in governmental and business type funds as follows:

	<u>Governmental</u>	<u>Business-Type</u>
1) Equipment & Vehicles	\$ 239,744	\$ 390,309
2) Utility Systems	-	517,826
3) Work In Progress	43,121	546,807
4) Infrastructure	<u>27,000</u>	<u>-</u>
Total Additions	<u>\$ 309,865</u>	<u>\$ 1,454,942</u>

### **Business-Type Activities**

Business-type activities increased the City's net position by \$847,089 accounting for 36 percent of the total increase in the government's net position. Key elements of this increase are as follows:

- \* Impact fees collected during the year were \$732,900.

### **Financial Analysis of the Government's Funds**

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

#### **Governmental Funds**

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. *In particular unassigned* fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, the City's governmental funds reported combined ending fund balances of \$4,284,186, an increase of \$1,372,774 in comparison with the prior year. Approximately 50 percent of this amount, \$2,131,943 constitutes *assigned and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balances are *restricted* to indicate that they are not available for new spending because they have already been restricted for highways and public improvements, \$900,434; impact fees, \$477,512, animal shelter \$93,262 and ARPA Federal Funds \$681,035. Fund balances have also been assigned to cemetery \$127,588; and capital projects, \$588,704.

The General Fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the General Fund was \$1,415,651, while total fund balance reached \$3,695,482. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 55 percent of total General Fund expenditures, while total fund balance represents 143 percent of that same amount.

## Proprietary Funds

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

Unrestricted net position of the water, sewer, drainage, and sanitation funds at the end of the year was \$2,237,303. Other factors concerning the finances of these funds has already been addressed in the discussion of the City's business-type activities.

## General Fund Budgetary Highlights

The increase between the original and final budgets was \$259,717.

During the year, actual revenues were more than budgeted revenues by \$486,651 and actual expenditures were less than budgeted expenditures by \$917,771. This resulted in a net increase in fund balance of \$1,404,422.

## Capital Asset and Debt Administration:

### Capital Assets

Enoch City's investment in capital assets for all of its activities as of June 30, 2022, was \$18,401,697 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment and infrastructure, which includes roads and paved trails and utility systems.

### Enoch City's Capital Assets

(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,438,905	\$ 1,438,905	\$ 314,127	\$ 314,127	\$ 1,753,032	\$ 1,753,032
Construction In Progress	147,872	104,751	1,220,942	674,135	1,368,814	778,886
Water Shares	-	-	3,860,689	3,860,689	3,860,689	3,860,689
Infrastructure	508,078	595,803	-	-	508,078	595,803
Buildings	437,333	464,369	654,760	680,713	1,092,093	1,145,082
Utility Systems	-	-	8,285,192	8,156,701	8,285,192	8,156,701
Vehicles & Equipment	568,357	469,247	833,742	535,252	1,402,099	1,004,499
Right-Of-Use Assets	131,700	164,625	-	-	131,700	164,625
Total	\$ 3,232,245	\$ 3,237,700	\$ 15,169,452	\$ 14,221,617	\$ 18,401,697	\$ 17,459,317

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

## Long-Term Debt - Bond Obligations

At the end of the current year, the City had total bonded debt outstanding of \$778,366. Contracts payable of \$90,000 and Lease Liabilities of \$98,775. The debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds), and general obligation bonds. Contracts represent debt for real estate purchase.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Other Long-Term Debt	\$ 90,000	\$ 120,000	\$ -	\$ -	\$ 90,000	\$ 120,000
Lease Liabilities	98,775	131,700	-	-	98,775	131,700
Revenue Bonds	-	-	778,366	892,366	778,366	892,366
Total Long-Term Debt	\$ 188,775	\$ 251,700	\$ 778,366	\$ 892,366	\$ 967,141	\$ 1,144,066

State statutes limit the amount of general obligation debt a governmental entity may issue to 4 percent of its total fair market value of taxable property in the City. The total allowable general obligation debt at June 30, 2022 is approximately \$14,000,000. The present general obligation revenue debt is \$210,000.

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

## Economic Factors and Next Year's Budgets and Rates

\* The utility rates remained the same as the prior year.

This factor was considered in preparing the City's budget for the 2022-2023 fiscal year.

## Request for Information

This financial report is designed to provide a general overview of Enoch City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Enoch City Treasurer, 900 East Midvalley Road, Enoch, Utah, 84721.

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# **BASIC FINANCIAL STATEMENTS**

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**ENOCH CITY**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$2,009,557	\$ 2,286,355	\$ 4,295,912
Restricted Cash and Investments	2,152,243	1,549,237	3,701,480
Accounts Receivable	3,218	180,734	183,952
Property Taxes Receivable	562,746	-	562,746
Due From Other Government Units	94,063	-	94,063
Total Current Assets	4,821,827	4,016,326	8,838,153
Noncurrent Assets:			
Net Pension Assets	244,701	137,643	382,344
Capital Assets:			
Land, Related Infrastructure and Construction In Progress	1,586,777	5,395,758	6,982,535
Other Capital Assets - Net of Accumulated Depreciation	1,513,768	9,773,695	11,287,463
Total Capital Assets	3,100,545	15,169,453	18,269,998
Right-Of-Use Assets	164,625	-	164,625
Less: Accumulated Amortization: Right-Of-Use Assets	(32,925)	-	(32,925)
Right-Of-Use Assets (Net)	131,700	-	131,700
Total Noncurrent Assets	3,476,946	15,307,096	18,784,042
TOTAL ASSETS	8,298,773	19,323,422	27,622,195
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to Pensions	158,750	89,295	248,045
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 8,457,523	\$ 19,412,717	\$ 27,870,240

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

**ENOCH CITY**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 12,127	\$ 6,980	\$ 19,107
Accrued Liabilities	2,094	-	2,094
Deposits Payable	-	168,438	168,438
Bond Interest Payable	-	9,446	9,446
Lease Liability - Due Within One Year	32,925	-	32,925
Contract Payable - Due Within One Year	15,000	-	15,000
Bonds Payable - Due Within One Year	-	116,000	116,000
Total Current Liabilities	<u>62,146</u>	<u>300,864</u>	<u>363,010</u>
Noncurrent Liabilities:			
Lease Liability - Due More Than One Year	65,850	-	65,850
Contract Payable - Due More Than One Year	75,000	-	75,000
Bonds Payable - Due More Than One Year	-	662,366	662,366
Compensated Absences	39,873	27,598	67,471
Total Noncurrent Liabilities	<u>180,723</u>	<u>689,964</u>	<u>870,687</u>
TOTAL LIABILITIES	<u>242,869</u>	<u>990,828</u>	<u>1,233,697</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to Pensions	434,243	244,262	678,505
Unavailable Revenue - Property Taxes	523,420	-	523,420
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>957,663</u>	<u>244,262</u>	<u>1,201,925</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,043,470	14,391,087	17,434,557
Restricted For:			
Bond Retirement	-	77,000	77,000
Class C Road	900,434	-	900,434
Impact Fees	477,512	1,472,237	1,949,749
Animal Shelter	93,262	-	93,262
ARPA Funds	681,035	-	681,035
Unrestricted	2,061,278	2,237,303	4,298,581
TOTAL NET POSITION	<u>7,256,991</u>	<u>18,177,627</u>	<u>25,434,618</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 8,457,523</u>	<u>\$ 19,412,717</u>	<u>\$27,870,240</u>

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

**ENOCH CITY**  
**STATEMENT OF ACTIVITIES**  
**For The Fiscal Year Ended June 30, 2022**

	Program Revenues			Net (Expense) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Governmental Activities	Business-Type Activities	Total
Function/Programs Primary Government:							
Governmental Activities:							
General Government	\$ 399,036	\$ 558,829	\$ 731,284	\$ -	\$ 891,077	\$ -	\$ 891,077
Public Safety	1,369,402	55,082	11,251	-	(1,303,069)	-	(1,303,069)
Highways and Public Improvement:	540,641	1,580	407,122	-	(131,939)	-	(131,939)
Parks and Recreation	161,625	48,056	-	-	(113,569)	-	(113,569)
Total Governmental Activities	2,470,704	663,547	1,149,657	-	(657,500)	-	(657,500)
Business-Type Activities:							
Water Fund	853,501	978,100	2,000	-	-	126,599	126,599
Sewer Fund	765,310	643,642	-	-	-	(121,668)	(121,668)
Drainage Fund	139,128	53,897	-	-	-	(85,231)	(85,231)
Sanitation Fund	333,729	514,270	-	-	-	180,541	180,541
Total Business-Type Activities	2,091,668	2,189,909	2,000	-	-	100,241	100,241
Total Primary Government	\$4,562,372	\$2,853,456	\$1,151,657	\$ -	\$ (657,500)	\$ 100,241	\$ (557,259)
General Revenues:							
Property Taxes					578,492	-	578,492
Fee-In-Lieu of Property Taxes					46,274	-	46,274
Sales Taxes					1,258,076	-	1,258,076
Franchise Taxes					176,750	-	176,750
Telecommunications Tax					18,646	-	18,646
Impact Fees					86,000	732,900	818,900
Unrestricted Investment Earnings					23,802	13,948	37,750
Total General Revenues					2,188,040	746,848	2,934,888
Change in Net Position					1,530,540	847,089	2,377,629
Net Position - Beginning - Restated					5,726,451	17,330,538	23,056,989
Net Position - Ending					\$7,256,991	\$18,177,627	\$25,434,618

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



**ENOCH CITY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2022**

	General Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 1,420,853	\$ 588,704	\$ 2,009,557
Cash and Investments - Restricted	2,152,243	-	2,152,243
Accounts Receivable (Net)	3,218	-	3,218
Property Taxes Receivable	562,746	-	562,746
Due From Other Government Units	94,063	-	94,063
<b>TOTAL ASSETS</b>	<u>\$ 4,233,123</u>	<u>\$ 588,704</u>	<u>\$ 4,821,827</u>
<b>LIABILITIES</b>			
Liabilities:			
Accounts Payable	\$ 12,127	\$ -	\$ 12,127
Accrued Liabilities	2,094	-	2,094
<b>Total Liabilities</b>	<u>14,221</u>	<u>-</u>	<u>14,221</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	523,420	-	523,420
<b>FUND BALANCE</b>			
Restricted For:			
Class C Roads	900,434	-	900,434
Impact Fees	477,512	-	477,512
Animal Shelter	93,262	-	93,262
ARPA Funds	681,035	-	681,035
Assigned For:			
Cemetery	127,588	-	127,588
Capital Projects	-	588,704	588,704
Unassigned:			
General Fund	1,415,651	-	1,415,651
<b>TOTAL FUND BALANCE</b>	<u>3,695,482</u>	<u>588,704</u>	<u>4,284,186</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 4,233,123</u>	<u>\$ 588,704</u>	<u>\$ 4,821,827</u>

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

**ENOCH CITY**  
**GOVERNMENTAL BALANCE SHEET RECONCILIATION TO THE STATEMENT OF NET POSITION**  
**June 30, 2022**

Total Fund Balances - Governmental Fund Types	\$4,284,186
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Land	\$1,438,905	
Construction In Progress	147,872	
Buildings	437,333	
Equipment and Vehicles	568,357	
Infrastructure	508,078	
Right-Of-Use Assets	<u>131,700</u>	
 Total		 3,232,245

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

Net Pension Assets	\$ 244,701	
Deferred Outflows of Resources Related to Pensions	<u>158,750</u>	
 Total Pension Assets and Deferred Outflows of Resources		 403,451

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

Deferred Inflows of Resources Related to Pensions	(434,243)
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Long-term liabilities, including bonds payable and deferred inflows of resources, are not due and payable in the current period and therefore are not reported in the fund statements:

Lease Liability	\$ (98,775)	
Contract Payable	(90,000)	
Compensated Absences	<u>(39,873)</u>	
 Total		 <u>(228,648)</u>

Net Position of Government Activities	<u><u>\$7,256,991</u></u>
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The notes to the financial statements are an integral part of this statement.

**ENOCH CITY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For The Fiscal Year Ended June 30, 2022**

	General Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$2,078,238	\$ -	\$ 2,078,238
Licenses and Permits	498,363	-	498,363
Intergovernmental Revenue	1,149,658	-	1,149,658
Charges for Services	154,470	-	154,470
Fines and Forfeitures	1,048	-	1,048
Interest	19,984	3,818	23,802
Miscellaneous Revenues	95,665	-	95,665
	<u>3,997,426</u>	<u>3,818</u>	<u>4,001,244</u>
<b>Expenditures:</b>			
Current:			
General Government	426,081	-	426,081
Public Safety	1,411,892	-	1,411,892
Highways and Public Improvements	560,335	35,466	595,801
Parks and Recreation	194,696	-	194,696
	<u>2,593,004</u>	<u>35,466</u>	<u>2,628,470</u>
Net Change in Fund Balance	1,404,422	(31,648)	1,372,774
Fund Balance - Beginning	<u>2,291,060</u>	<u>620,352</u>	<u>2,911,412</u>
Fund Balance - Ending	<u><u>\$3,695,482</u></u>	<u><u>\$ 588,704</u></u>	<u><u>\$ 4,284,186</u></u>

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

**ENOCH CITY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For The Fiscal Year Ended June 30, 2022**

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 1,372,774
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The Statement of Activities shows pension benefits and pension expenses from the adoption of GASB 68 that are not shown on the fund statements.	118,270
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. Also, dispositions of capital assets are shown in the Statement of Activities and not in the governmental funds.

Capital Outlay	\$ 309,865	
Depreciation Expense	(282,395)	
Amortization Expense	<u>(32,925)</u>	
Total		(5,455)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Principal Payment on Long-Term Debt	\$ 15,000	
Lease Liability Principal Paid	32,925	
Change In Compensated Absences	<u>(2,974)</u>	
Total		<u>44,951</u>

Changes In Net Position of Governmental Activities	<u><u>\$ 1,530,540</u></u>
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The notes to the financial statements are an integral part of this statement.

**ENOCH CITY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2022**

	Business-Type Activity Enterprise Funds				
	Water Fund	Sewer Fund	Drainage Fund	Sanitation Fund	Totals
<b>ASSETS:</b>					
Current Assets:					
Cash and Investments	\$ 440,276	\$ 914,061	\$ 95,639	\$ 836,379	\$ 2,286,355
Cash and Investments-Restricted	887,317	443,213	218,707	-	1,549,237
Accounts Receivable	90,376	48,762	4,164	37,432	180,734
Total Current Assets	<u>1,417,969</u>	<u>1,406,036</u>	<u>318,510</u>	<u>873,811</u>	<u>4,016,326</u>
Noncurrent Assets:					
Net Pension Assets	38,234	53,528	-	45,881	137,643
Capital Assets:					
Land, Water Rights and Const. In Progress	5,186,758	183,950	25,050	-	5,395,758
Other Assets - Net of Accum. Depreciation	4,723,363	3,377,866	1,220,484	451,982	9,773,695
Total Noncurrent Assets	<u>9,948,355</u>	<u>3,615,344</u>	<u>1,245,534</u>	<u>497,863</u>	<u>15,307,096</u>
TOTAL ASSETS	<u>11,366,324</u>	<u>5,021,380</u>	<u>1,564,044</u>	<u>1,371,674</u>	<u>19,323,422</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Related to Pensions	24,804	34,726	-	29,765	89,295
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 11,391,128</u>	<u>\$5,056,106</u>	<u>\$ 1,564,044</u>	<u>\$ 1,401,439</u>	<u>\$ 19,412,717</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
Accounts Payable	\$ 664	\$ 6,249	\$ -	\$ 67	\$ 6,980
Deposits Payable	168,438	-	-	-	168,438
Compensated Absences	10,433	14,117	1,563	1,485	27,598
Bond Interest Payable	7,716	1,730	-	-	9,446
Bonds Payable - Due Within One Year	101,000	15,000	-	-	116,000
Total Current Liabilities	<u>288,251</u>	<u>37,096</u>	<u>1,563</u>	<u>1,552</u>	<u>328,462</u>
Noncurrent Liabilities:					
Bonds Payable - Due More Than One Year	467,366	195,000	-	-	662,366
Total Noncurrent Liabilities	<u>467,366</u>	<u>195,000</u>	<u>-</u>	<u>-</u>	<u>662,366</u>
TOTAL LIABILITIES	<u>755,617</u>	<u>232,096</u>	<u>1,563</u>	<u>1,552</u>	<u>990,828</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Related to Pensions	67,850	94,991	-	81,421	244,262
<b>NET POSITION:</b>					
Net Investment in Capital Assets	9,341,755	3,351,816	1,245,534	451,982	14,391,087
Restricted for:					
Bond Retirement	77,000	-	-	-	77,000
Impact Fees	810,317	443,213	218,707	-	1,472,237
Unrestricted	338,589	933,990	98,240	866,484	2,237,303
TOTAL NET POSITION	<u>10,567,661</u>	<u>4,729,019</u>	<u>1,562,481</u>	<u>1,318,466</u>	<u>18,177,627</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 11,391,128</u>	<u>\$5,056,106</u>	<u>\$ 1,564,044</u>	<u>\$ 1,401,439</u>	<u>\$ 19,412,717</u>

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

**ENOCH CITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For The Fiscal Year Ended June 30, 2022**

	Business-Type Activity Enterprise Funds				
	Water Fund	Sewer Fund	Drainage Fund	Sanitation Fund	Totals
<b>Operating Revenues:</b>					
Charges for Sales and Services:					
Water Sales	\$ 884,029	\$ -	\$ -	\$ -	\$ 884,029
Sewer Sales	-	643,642	-	-	643,642
Drainage Fees	-	-	53,897	-	53,897
Sanitation Collection Fees	-	-	-	513,830	513,830
Connection Fees	51,878	-	-	-	51,878
Penalties	26,042	-	-	-	26,042
Other Income	16,151	-	-	440	16,591
Total Operating Revenues	978,100	643,642	53,897	514,270	2,189,909
<b>Operating Expenses:</b>					
Salaries, Wages and Benefits	299,651	343,055	54,226	114,107	811,039
Materials, Supplies and Services	343,280	260,795	49,306	193,126	846,507
Depreciation	236,909	188,473	35,596	46,129	507,107
Total Operating Expenses	879,840	792,323	139,128	353,362	2,164,653
Operating Income	98,260	(148,681)	(85,231)	160,908	25,256
<b>Nonoperating Revenues (Expenses):</b>					
Impact Fees	479,490	76,792	176,618	-	732,900
Interest Income	6,723	6,003	-	1,222	13,948
Contributions	2,000	-	-	-	2,000
Interest Expense	(13,827)	(6,755)	-	-	(20,582)
Net Pension Expense	40,166	33,768	-	19,633	93,567
Total Nonoperating Revenues (Expenses)	514,552	109,808	176,618	20,855	821,833
Change in Net Position	612,812	(38,873)	91,387	181,763	847,089
Net Position - Beginning	9,954,849	4,767,892	1,471,094	1,136,703	17,330,538
Net Position - Ending	\$10,567,661	\$4,729,019	\$1,562,481	\$1,318,466	\$18,177,627

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

**ENOCH CITY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For The Fiscal Year Ended June 30, 2022**

	Business-Type Activity Enterprise Funds				
	Water Fund	Sewer Fund	Drainage Fund	Sanitation Fund	Totals
<b>Cash Flows From Operating Activities:</b>					
Receipts From Customers	\$ 973,042	\$ 645,799	\$ 54,058	\$ 516,091	\$2,188,990
Payments to Suppliers	(326,916)	(251,777)	(50,687)	(193,744)	(823,124)
Payments to Employees	(299,651)	(343,055)	(54,226)	(114,107)	(811,039)
Net Cash Provided by Operating Activities	346,475	50,967	(50,855)	208,240	554,827
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Principal Paid on Capital Debt	(99,000)	(15,000)	-	-	(114,000)
Interest Paid on Capital Debt	(13,828)	(6,755)	-	-	(20,583)
Capital Outlay	(685,808)	(361,103)	(124,156)	(283,874)	(1,454,941)
Contributions	2,000	-	-	-	2,000
Impact Fees Received	479,490	76,792	176,618	-	732,900
Net Cash Provided (Used) by Capital and Related Financing Activities	(317,146)	(306,066)	52,462	(283,874)	(854,624)
<b>Cash Flows from Investing Activities:</b>					
Interest Received	6,723	6,003	-	1,222	13,948
Net Cash Provided (Used) by Investing Activities	6,723	6,003	-	1,222	13,948
Net Increase (Decrease) in Cash and Investments	36,052	(249,096)	1,607	(74,412)	(285,849)
Cash and Investments - Beginning	1,291,541	1,606,370	312,739	910,791	4,121,441
Cash and Investments - Ending	\$1,327,593	\$1,357,274	\$314,346	\$836,379	\$3,835,592
<b>Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities:</b>					
Operating Income	\$ 98,260	\$ (148,681)	\$ (85,231)	\$ 160,908	\$ 25,256
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By Operating Activities:					
Depreciation	236,909	188,473	35,596	46,129	507,107
Increase (Decrease) in Operating Assets:					
Accounts Receivable	(5,058)	2,157	161	1,821	(919)
Accounts Payable	264	6,249	-	-	6,513
Compensated Absences	2,156	2,769	(1,381)	(618)	2,926
Deposits Payable	13,944	-	-	-	13,944
Total Adjustments	248,215	199,648	34,376	47,332	529,571
Net Cash Provided (Used) by Operating Activities	\$ 346,475	\$ 50,967	\$ (50,855)	\$ 208,240	\$ 554,827

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

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The accompanying basic financial statements present the financial position of various fund types and the results of operations of the various fund types. The basic financial statements are presented for the year ended June 30, 2022.

The following is a summary of the more significant policies:

**A. Reporting Entity**

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

**B. Government-Wide and Fund Financial Statements**

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

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

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



**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

The government reports the following major governmental funds:

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

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

The Government reports the following Proprietary Funds:

The Proprietary Funds account for the activities of the City water, sewer, drainage, and sanitation fund operations. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer, drainage, and sanitation funds are charges to customers for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities and Net Position or Equity**

**Deposits and Investments:**

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

**Cash and Investments:**

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

**Capital Assets:**

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

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

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

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

Building and Improvements	40 Years
Utility Systems	40 Years
Machinery and Equipment	5 - 10 Years

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Long-Term Obligations:**

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

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

**Equity Classifications:**

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

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

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

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

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

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

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

**E. Use of Estimates:**

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

**F. Property Taxes:**

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

**G. Budgets and Budgetary Accounting:**

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

Utah State law prohibits the appropriation of unreserved General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Any unreserved General Fund balance greater than 25% of the next year's budgeted revenues must be appropriated within the following two years.

**ENOC CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Once adopted, the budget may be amended by the City council without hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

**H. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has only one type of item that qualifies for reporting in this category, deferred outflows as relating to pensions as described in Note 12.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items that qualify for reporting in this category. The City reports unavailable revenues from property taxes and deferred inflows as relating to pensions as described in Note 12. These amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available.

**I. Pensions**

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

**J. Date of Subsequent Event Evaluation**

Enoch City's subsequent events have been evaluated through the day of the financial statement issuance of October 10, 2022.

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 2 - CASH AND INVESTMENTS**

**Deposits:**

Deposits and Investments are carried at amortized cost, which approximates fair value. A reconciliation of cash and investments at June 30, 2022, as shown on the financial statements is as follows:

	<u>Carrying at Fair Value</u>
Cash On Hand	\$ 120,909
Investments - PTIF	<u>7,876,483</u>
 Total Cash and Investments	 <u><u>\$ 7,997,392</u></u>
 Governmental Activities - Unrestricted	 \$ 2,009,557
Governmental Activities - Restricted	2,152,243
Business-Type Activities - Unrestricted	2,286,355
Business-Type Activities - Restricted	<u>1,549,237</u>
 Total Cash and Investments	 <u><u>\$ 7,997,392</u></u>

*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, 2022, \$167,834 of the City's bank balances of \$417,834 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.

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

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

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

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

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

*Fair Value of Investments*

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

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

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

At June 30, 2022, the City had the following recurring fair value measurements:

<u>Investments By Fair Value Level</u>	June 30, 2022	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Debt Securities:				
Utah Public Treasurers' Investment Fund	<u>\$7,876,483</u>	<u>\$ -</u>	<u>\$7,876,483</u>	<u>\$ -</u>
Total Investments by Fair Value Level	<u>\$7,876,483</u>	<u>\$ -</u>	<u>\$7,876,483</u>	<u>\$ -</u>

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

- \* Utah Public Treasurers' Investment Fund: application of the June 30, 2022 fair value factor, as calculated by the Utah State Treasurer, to the City's average daily balance in the Fund.

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

As of June 30, 2022, the City's investments had the following maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Utah Public Treasurers' Investment Fund	<u>\$7,876,483</u>	<u>\$7,876,483</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$7,876,483</u>	<u>\$7,876,483</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

*Credit Risk*

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

At June 30, 2022, the City's investments had the following quality ratings:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quality Ratings</u>			
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Unrated</u>
Utah Public Treasurers' Investment Fund	\$7,876,483	\$ -	\$ -	\$ -	\$7,876,483
Total	\$7,876,483	\$ -	\$ -	\$ -	\$7,876,483

*Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments with a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio. The City places no other limits on the amount it may invest in any one issuer.

*Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. As of June 30, 2022, the City had \$7,876,483 in debt security investments, level 2, which were held by the investment's counterparty. The City places no other limits on the amount of investments to be held by counterparties.

**NOTE 3 - BOND RESERVES**

Enoch City's bond reserves at year-end consisted of the following:

	<u>Annual Requirement</u>	<u>Total Required</u>	<u>Year-End Balance</u>
2009 Parity Water Revenue Bond - DWB	\$ 7,700	\$ 77,000	\$ 77,000
Total	\$ 7,700	\$ 77,000	\$ 77,000

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 4 - ACCOUNTS RECEIVABLE - PROPRIETARY FUNDS**

Accounts receivables in the proprietary funds represent customer balances at June 30, 2022.

**NOTE 5 - CAPITAL ASSETS**

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 885,125	\$ -	\$ -	\$ 885,125
Land Related to Infrastructure	553,780	-	-	553,780
Work in Process	104,751	43,121	-	147,872
Total Capital Assets Not Being Depreciated	1,543,656	43,121	-	1,586,777
Capital Assets Being Depreciated:				
Buildings	983,905	-	-	983,905
Equipment	937,561	66,394	-	1,003,955
Vehicles	228,303	173,350	-	401,653
Infrastructure	5,319,838	27,000	-	5,346,838
Total Capital Assets Being Depreciated	7,469,607	266,744	-	7,736,351
Less Accumulated Depreciation For:				
Buildings	519,536	27,036	-	546,572
Equipment	512,896	98,155	-	611,051
Vehicles	183,721	42,479	-	226,200
Infrastructure	4,724,035	114,725	-	4,838,760
Total Accumulated Depreciation	5,940,188	282,395	-	6,222,583
Total Capital Assets Being Depreciated (Net)	1,529,419	(15,651)	-	1,513,768
Right-Of-Use Assets	164,625	-	-	164,625
Less Accumulated Amortization	-	32,925	-	32,925
Total Right-Of-Use Assets Being Amortized (Net)	164,625	32,925	-	131,700
Governmental Activities Capital Assets, Net	\$ 3,237,700	\$ (5,455)	\$ -	\$ 3,232,245

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-Type Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 314,127	\$ -	\$ -	\$ 314,127
Water Stock	3,860,689	-	-	3,860,689
Work In Process	674,135	546,807	-	1,220,942
 Total Capital Assets Not Being Depreciated	 4,848,951	 546,807	 -	 5,395,758
 Capital Assets Being Depreciated:				
Buildings	1,002,994	-	-	1,002,994
Utility Systems	15,195,783	517,826	-	15,713,609
Equipment and Vehicles	2,296,885	390,309	-	2,687,194
 Total Capital Assets Being Depreciated	 18,495,662	 908,135	 -	 19,403,797
 Less Accumulated Depreciation For:				
Buildings	322,281	25,953	-	348,234
Utility Systems	7,039,082	389,335	-	7,428,417
Equipment and Vehicles	1,761,633	91,819	-	1,853,452
 Total Accumulated Depreciation	 9,122,996	 507,107	 -	 9,630,103
 Total Capital Assets Being Depreciated (Net)	 9,372,666	 401,028	 -	 9,773,694
 Business-Type Activities Capital Assets, Net	 14,221,617	 947,835	 -	 15,169,452
 Total Capital Assets	 <u>\$ 17,459,317</u>	 <u>\$ 942,380</u>	 <u>\$ -</u>	 <u>\$ 18,401,697</u>

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

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

	Governmental Activities	Business-Type Activities
General Government	\$ 39,760	\$ -
Public Safety	38,926	-
Highways and Public Improvements	227,705	-
Parks and Recreation	8,929	-
Water	-	236,909
Sewer	-	188,473
Drainage	-	35,596
Refuse	-	46,129
	<u>315,320</u>	<u>507,107</u>
Total Depreciation and Amortization Expense	<u>\$ 315,320</u>	<u>\$ 507,107</u>

**NOTE 6 - ACCOUNTS PAYABLE**

Accounts payable represents amounts owed various vendors at June 30, 2022, and paid in subsequent periods.

**NOTE 7 - LONG-TERM DEBT**

**Governmental Long-Term Debt**

**Real Estate Purchase Contract:**

On August 2, 2007, the City entered into a real estate purchase contract with Young Electric Sign Company for the purchase of 7.34 acres of land for \$300,000. Terms of the contract require yearly payments of \$15,000 with no interest. The payment will be made from lease revenues from Young Electric Sign Company of \$15,000 per year.

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

	Note from Direct Borrowing and Direct Placements		
	Principal	Interest	Total
2023	\$ 15,000	\$ -	\$ 15,000
2024	15,000	-	15,000
2025	15,000	-	15,000
2026	15,000	-	15,000
2027	15,000	-	15,000
2028	15,000	-	15,000
	<u>90,000</u>	<u>-</u>	<u>90,000</u>
Total	<u>\$ 90,000</u>	<u>\$ -</u>	<u>\$ 90,000</u>

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**  
**Hinklease - Vehicle Lease 2021**

On December 1, 2020, the City entered into a vehicle lease agreement with Hinklease for the purchase of five trucks for the police department at a cost of \$164,625. Terms of the contract require an initial payment of \$32,925 and four remaining payments of \$32,925 with no interest.

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

	Lease from Direct Borrowing and Direct Placements		Total
	Principal	Interest	
2023	\$ 32,925	\$ -	\$ 32,925
2024	32,925	-	32,925
2025	32,925	-	32,925
Total	<u>\$ 98,775</u>	<u>\$ -</u>	<u>\$ 98,775</u>

The following is a statement of changes in governmental long-term debt:

	Outstanding June 30, 2021	Issued	Matured	Outstanding June 30, 2022	Due Within One Year
Real Estate Purchase Contract	\$ 105,000	\$ -	\$ 15,000	\$ 90,000	\$ 15,000
Vehicle Lease	131,700	-	32,925	98,775	32,925
Net Pension Liability	<u>46,071</u>	<u>-</u>	<u>46,071</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 282,771</u>	<u>\$ -</u>	<u>\$ 93,996</u>	<u>\$ 188,775</u>	<u>\$ 47,925</u>

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**Business-Type Long-Term Debt**

**Water System:**

**CIB Water System Improvement Loan:**

On April 27, 1994, the Permanent Community Impact Fund Board authorized a \$517,600 grant and a \$776,400 loan to Enoch City for the construction of water system improvements, including the construction of a 2.0 million gallon storage tank, supply line, transmission line and booster pump station. The terms of the loan require yearly payments with an interest rate of 2.5%. The loan is secured by the revenues generated by culinary water sales.

The following is a summary of debt service charges to maturity on the C.I.B. Loan:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
October 1,			
2022	\$ 34,000	\$ 2,834	\$ 36,834
2023	35,000	1,534	36,534
2024	<u>26,366</u>	<u>659</u>	<u>27,025</u>
Total	<u>\$ 95,366</u>	<u>\$ 5,027</u>	<u>\$ 100,393</u>

**Series 2009 Parity Water Revenue Bond:**

On March 21, 2009, the city issued \$1,200,000 of series 2009 Parity Water Revenue Bonds to provide funding to finance all or part of the cost of acquiring, constructing, improving, extending and maintaining the culinary water system for the City. The bonds were purchased by the State of Utah, Department of Environmental Quality, Drinking Water Board, with an interest rate of 1.97 per annum. Payments will begin on January 1, 2014 and continue through 2030. Bonds are secured by water revenues.

The following is a schedule of debt service payment to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
January 1,			
2023	\$ 67,000	\$ 9,318	\$ 76,318
2024	68,000	7,998	75,998
2025	69,000	6,659	75,659
2026	71,000	5,299	76,299
2027	72,000	3,901	75,901
2028-2029	<u>126,000</u>	<u>3,506</u>	<u>129,506</u>
Total	<u>\$ 473,000</u>	<u>\$ 36,681</u>	<u>\$ 509,681</u>

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**Sewer System:**

**Series 2018 General Obligation Sewer Refunding Bonds:**

On February, 2018, Enoch City issued General Obligation Sewer Refunding Bonds, Series 2018 of \$268,000 with an annual interest rate of between 1.65% and 3.70%. The proceeds were used to refund approximately \$270,000 of the outstanding Series 1995 General Obligation Sewer Bonds which had an interest rate of 5.125%. The City paid bond issuance costs of \$15,500 and deposited approximately \$275,000 to the current refunding fund. As a result, the Series 1995 General Obligation Sewer Bonds are considered retired in the current refunding and the liability for the bonds has been removed from the statement of net position.

The City current refunded the Series 1995 General Obligation Sewer Bonds to reduce its total debt service payments from 20 to 15 years by \$91,256 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$32,010. The refunding bonds have been purchased by Zions Bank and will be paid back over a 15 year period. Total payments between \$21,000 and \$22,000 per year will begin October 1, 2018, with accrued interest being paid semiannually on April 1 of each year.

The annual debt service payments are reflected in the repayment schedule as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 15,000	\$ 6,410	\$ 21,410
2024	16,000	6,026	22,026
2025	16,000	5,606	21,606
2026	16,000	5,162	21,162
2027	17,000	4,679	21,679
2028-2032	93,000	14,846	107,846
2033-2034	37,000	1,266	38,266
<b>Totals</b>	<b>\$ 210,000</b>	<b>\$ 43,995</b>	<b>\$ 253,995</b>

The following is a summary of debt service charges to maturity for Business-Type Long-Term Debt:

	<u>Direct Placement Bonds</u>		<u>Notes from Direct Borrowing and Direct Placements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2023	\$ 82,000	\$ 15,728	\$ 34,000	\$ 2,834	\$ 134,562
2024	84,000	14,024	35,000	1,534	134,558
2025	85,000	12,265	26,366	659	124,290
2026	87,000	10,461	-	-	97,461
2027	89,000	8,580	-	-	97,580
2028-2032	219,000	18,352	-	-	237,352
2033-2034	37,000	1,266	-	-	38,266
<b>Total</b>	<b>\$ 683,000</b>	<b>\$ 80,676</b>	<b>\$ 95,366</b>	<b>\$ 5,027</b>	<b>\$ 864,069</b>

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

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

	Date of Issue	Interest Rate	Total Authorized	Outstanding June 30, 2021	Current Year Changes			Outstanding June 30, 2022	Current Portion
					Issued	Matured			
<b>Notes Payable:</b>									
Water System:									
C.I.B. Water Loan	1994	2.500%	\$ 776,400	\$ 128,366	\$ -	\$ 33,000	\$ 95,366	\$ 34,000	
Total Notes Payable			776,400	128,366	-	33,000	95,366	34,000	
<b>Bonds Payable:</b>									
Water System:									
Drinking Water Board	2009	1.970%	1,200,000	539,000	-	66,000	473,000	67,000	
Sewer System:									
GO Sewer Revenue Refunding Bonds	2018	1.65%-3.70%	268,000	225,000	-	15,000	210,000	15,000	
Total Bonds Payable			1,468,000	764,000	-	81,000	683,000	82,000	
<b>Net Pension Liability</b>									
			-	71,611	-	71,611	-	-	
Total Business-Type Long-Term Debt			\$2,244,400	\$ 963,977	\$ -	\$ 185,611	\$ 778,366	\$116,000	



**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**Compensated Absences:**

The City was liable for accrued vacation pay of \$67,469 at June 30, 2022. The following is a schedule of changes in compensated absences:

	Balance June 30, 2021	Net Change		Balance June 30, 2022
		Earned	Used	
Governmental Funds	\$ 36,899	\$ 2,974	\$ -	\$ 39,873
Business-Type Funds	24,671	2,925	-	27,596
Total Compensated Absences	<u>\$ 61,570</u>	<u>\$ 5,899</u>	<u>\$ -</u>	<u>\$ 67,469</u>

**NOTE 8 - CLASS C ROAD FUND**

The following is a statement of receipts and disbursements in Class C Road Fund:

Balance - Beginning of Year	\$ 488,524
Receipts:	
State of Utah Allotments	\$ 407,122
Interest	<u>4,788</u>
Total Receipts	411,910
Disbursements:	
Crack Seal and Resurfacing	<u>-</u>
Balance - End of Year	<u>\$ 900,434</u>

**NOTE 9 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City participates in the Utah Local Government Trust, a public agency insurance mutual, which provides coverage for property damage and general liability. The City is subject to a minimal deductible for claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Amounts of settlements have not exceeded insurance coverage in any of the past three fiscal years.

**NOTE 10 - PRIOR PERIOD ADJUSTMENT:**

During the prior period leased assets were shown as capital assets, however the lease liability was not shown on the Statement of Net Position, overstating net position and understating lease liabilities by \$131,700.

	Net Position	Lease Liability
Previously Stated	\$ 5,858,151	\$ -
Prior Period Adjustment	<u>(131,700)</u>	<u>131,700</u>
As Restated	<u>\$ 5,726,451</u>	<u>\$ 131,700</u>

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 11 - ROUNDING CONVENTION**

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

**NOTE 12 - PENSION PLAN**

**General Information about the Pension Plan**

**Plan Description:**

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

**Defined Benefit Plans:**

Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, public employee retirement system.

The Public Safety Retirement System (Public Safety System) is a cost sharing, multiple-employer, public employee retirement system.

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

Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employee retirement system.

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

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

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

[www.urs.org/general/publications](http://www.urs.org/general/publications).

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 12 - PENSION PLAN (CONTINUED)**

**Summary of Benefits By System:**

**Benefits Provided:**

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

<u>System</u>	<u>Final Average Salary</u>	<u>Years of Service Required and/or Age Eligible for Benefit</u>	<u>Benefit Percent Per Year of Service</u>	<u>COLA**</u>
Noncontributory System	Highest 3 years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years, any age 10 years, age 60 4 years, age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
Tier 2 Public Employees System	Highest 5 years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety, Firefighter System	Highest 5 years	25 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.5% per year to June 2000 2.0% per year July 2020 to present	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.

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 12 - PENSION PLAN (CONTINUED)**

**Contribution Rate Summary:**

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2022, are follows:

**Utah Retirement Systems:**

	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k) Plan</u>
<b>Contributory System</b>			
111 - Local Government Division - Tier 2	N/A	16.07%	0.62%
<b>Noncontributory System</b>			
15 - Local Government Division - Tier 1	N/A	18.47%	N/A
<b>Public Safety System:</b>			
Contributory:			
122 - Tier 2 DB Hybrid Public Safety	2.27%	25.83%	N/A
Noncontributory:			
43 - Other Division A with 2.5% COLA	N/A	34.04%	N/A
<b>Tier 2 DC Only:</b>			
211 - Local Government	N/A	6.69%	10.00%
222 - Public Safety	N/A	11.83%	14.00%

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

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 12 - PENSION PLAN (CONTINUED)**

For fiscal year ended June 30, 2022, the employer and employee contributions to the Systems were as follows:

	Employer Contributions	Employee Contributions
Noncontributory System	\$ 57,737	N/A
Public Safety System	47,574	-
Tier 2 Public Employees System	67,413	-
Tier 2 Public Safety and Fighter	52,456	-
Tier 2 DC Only System	5,319	N/A
Tier 2 DC Public Safety and Firefighter System	1,722	N/A
Total Contributions	<u>\$ 232,221</u>	<u>\$ -</u>

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

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

At June 30, 2022, we reported a net pension asset of \$382,344 and a net pension liability of \$0.

	(Measurement Date): December 31, 2021				
	Net Pension Asset	Net Pension Liability	Proportionate Share - 2021	Proportionate Share - 2020	Change (Decrease)
Noncontributory					
System	\$ 273,305	\$ -	0.0477213%	0.0425199%	0.0052014%
Public Safety					
System	96,205	-	0.1184584%	0.1036646%	0.0147938%
Tier 2 Public					
Employees System	9,173	-	0.0216734%	0.0194177%	0.0022557%
Tier 2 Public Safety/ Firefighter System	3,661	-	0.0724323%	0.0781778%	-0.0057455%
Total	<u>\$ 382,344</u>	<u>\$ -</u>			

The net pension asset and liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to Systems during the plan year over the total of all employer contributions to the System during the plan year.

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 12 - PENSION PLAN (CONTINUED)**

For the year ended June 30, 2022, we recognized pension expense of \$21,734.

At June 30, 2022, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 44,407	\$ 1,783
Changes in assumptions	55,179	3,503
Net difference between projected and actual earnings on pension plan investments	-	661,862
Changes in proportion and differences between contributions and proportionate share of contributions	34,860	11,357
Contributions subsequent to the measurement date	113,599	-
	<u>113,599</u>	<u>-</u>
Total	<u>\$ 248,045</u>	<u>\$ 678,505</u>

\$113,599 was reported as deferred outflows of resources to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2022	\$ (102,269)
2023	\$ (188,444)
2024	\$ (159,036)
2025	\$ (108,206)
2026	\$ 2,152
Thereafter	\$ 11,744

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 12 - PENSION PLAN (CONTINUED)**

**Actuarial Assumptions:**

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2021, valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

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

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity Securities	37.00%	6.58%	2.43%
Debt Securities	20.00%	-0.28%	-0.06%
Real Assets	15.00%	5.77%	0.87%
Private Equity	12.00%	9.85%	1.18%
Absolute Return	16.00%	2.91%	0.47%
Cash and Cash Equivalents	0.00%	-1.01%	0.00%
Totals	100.00%		4.89%
			Inflation 2.50%
			Expected arithmetic nominal return 7.39%

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

**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 12 - PENSION PLAN (CONTINUED)**

**Discount Rate:**

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

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

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

<u>System</u>	<u>1% Decrease or 5.85%</u>	<u>Discount Rate or 6.85%</u>	<u>1% Increase or 7.85%</u>
Noncontributory System	\$ 146,964	\$ (273,305)	\$ (623,938)
Public Safety System	237,273	(96,205)	(367,013)
Tier 2 Public Employees System	54,655	(9,173)	(58,179)
Tier 2 Public Safety and Firefighter	29,370	(3,661)	(29,883)
	<u>\$ 468,262</u>	<u>\$ (382,344)</u>	<u>\$ (1,079,013)</u>

**Pension Plan Fiduciary Net Position:**

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



**ENOCH CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 12 - PENSION PLAN (CONTINUED)**

**Defined Contribution Savings Plans:**

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

Enoch 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:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
401(K) Plan:			
Employer Contributions	\$ 13,558	\$ 9,897	\$ 11,171
Employee Contributions	\$ 34,993	\$ 23,584	\$ 25,130
457(b) Plan:			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	\$ -	\$ 275	\$ 650
Roth IRA Plan:			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 14,877	\$ 8,475	\$ 5,400

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**REQUIRED SUPPLEMENTARY  
INFORMATION  
(UNAUDITED)**

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**ENOCH CITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETS**  
**For The Fiscal Year Ended June 30, 2022**

**Budgetary Comparison Schedules:**

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

**Budgeting and Budgetary Control:**

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

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

**Current Year Budgetary Compliance:**

For the year ended June 30, 2022, spending for all funds of the City was within the approved budgets.

**ENOC** CITY  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For The Fiscal Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Variance With Final Budget</u>
<b>Revenues:</b>				
Taxes:				
General Property Taxes	\$ 523,420	\$ 545,000	\$ 537,737	\$ (7,263)
Delinquent Prior Years Taxes	32,000	32,000	40,756	8,756
Fee-In-Lieu	47,000	47,000	46,274	(726)
General Sales and Use Taxes	910,000	1,200,000	1,258,076	58,076
Telecommunications Tax	30,000	30,000	18,645	(11,355)
Franchise Taxes	150,000	150,000	176,750	26,750
Total Taxes	<u>1,692,420</u>	<u>2,004,000</u>	<u>2,078,238</u>	<u>74,238</u>
Licenses and Permits:				
Business Licenses	5,000	5,000	17,148	12,148
Franchise Fees	45,300	45,300	44,248	(1,052)
Building Permits	318,000	318,000	345,072	27,072
Impact Fees - Streets	27,000	27,000	32,700	5,700
Impact Fees - Parks	36,000	36,000	42,400	6,400
Impact Fees - Police	9,000	9,000	10,900	1,900
Animal Licenses	6,000	6,000	5,370	(630)
Street and Curb Permits	100	100	525	425
Total Licenses and Permits	<u>446,400</u>	<u>446,400</u>	<u>498,363</u>	<u>51,963</u>
Intergovernmental Revenue:				
Class C Road	320,000	320,000	407,122	87,122
Iron County Recreation Funds	3,000	3,000	-	(3,000)
State Liquor Allotment	4,000	4,000	-	(4,000)
Law Enforcement/Safety Grants	10,000	10,000	11,251	1,251
Federal Grant	400,000	450,250	731,285	281,035
Other	450	450	-	(450)
Total Intergovernmental Revenue	<u>\$ 737,450</u>	<u>\$ 787,700</u>	<u>\$1,149,658</u>	<u>\$ 361,958</u>

**ENOCH CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For The Fiscal Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Variance With Final Budget</u>
<b>Revenues (Continued):</b>				
Charges for Services:				
Zoning and Subdivision Fees	\$ 45,000	\$ 45,000	\$ 48,366	\$ 3,366
Street Improvement Fees	4,500	4,500	1,500	(3,000)
Street Paving	875	875	80	(795)
Cemetery Lot Sales	7,500	7,500	12,500	5,000
Grave Openings	3,000	3,000	3,475	475
Dispatch Fee	35,000	35,000	40,268	5,268
Police Fees	1,750	1,750	2,125	375
Convenience Fee	1,000	1,000	1,386	386
Restitution Collected	800	800	1,518	718
Recreation Fees	15,000	15,000	32,081	17,081
Animal Shelter Fees	8,000	8,000	7,941	(59)
Miscellaneous	10,000	10,000	3,230	(6,770)
Total Charges for Services	<u>132,425</u>	<u>132,425</u>	<u>154,470</u>	<u>22,045</u>
Fines and Forfeitures	<u>6,500</u>	<u>6,500</u>	<u>1,048</u>	<u>(5,452)</u>
Other Revenue:				
Interest	56,000	56,000	19,984	(36,016)
Rents	600	600	15,600	15,000
Other	77,150	77,150	80,065	2,915
Fund Balance Appropriation	<u>102,113</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Miscellaneous Revenue	<u>235,863</u>	<u>133,750</u>	<u>115,649</u>	<u>(18,101)</u>
Total Revenues	<u>\$3,251,058</u>	<u>\$3,510,775</u>	<u>\$3,997,426</u>	<u>\$ 486,651</u>

**ENOCH CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For The Fiscal Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget</u>
<b>Expenditures:</b>				
General Government:				
City Council	\$ 59,200	\$ 70,546	\$ 58,336	\$ 12,210
Administration	734,500	783,310	352,452	430,858
Planning Commission	16,800	18,300	15,293	3,007
Total General Government	<u>\$ 810,500</u>	<u>\$ 872,156</u>	<u>\$ 426,081</u>	<u>\$ 446,075</u>
Public Safety:				
Police Department	\$ 952,970	\$1,006,470	\$ 945,677	\$ 60,793
Animal Control	159,538	163,700	147,557	16,143
Public Services	224,100	224,700	213,650	11,050
Building and Zoning	94,100	102,650	105,008	(2,358)
Total Public Safety	<u>1,430,708</u>	<u>1,497,520</u>	<u>1,411,892</u>	<u>85,628</u>
Highway and Public Improvements:				
Repairs and Maintenance	<u>807,800</u>	<u>851,200</u>	<u>560,335</u>	<u>290,865</u>
Parks and Recreation:				
Parks	173,400	183,150	176,083	7,067
Recreation	18,150	19,650	17,510	2,140
Cemetery	10,500	10,500	1,103	9,397
Total Culture and Recreation	<u>202,050</u>	<u>213,300</u>	<u>194,696</u>	<u>18,604</u>
Total Expenditures	<u>3,251,058</u>	<u>3,434,176</u>	<u>2,593,004</u>	<u>841,172</u>
Excess Revenues Over (Under)				
Expenditures Before Transfers	<u>-</u>	<u>76,599</u>	<u>1,404,422</u>	<u>1,327,823</u>
<b>Other Financing Sources (Uses)</b>				
Budgeted Increase in Fund Balance	<u>-</u>	<u>76,599</u>	<u>-</u>	<u>76,599</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,404,422</u>	<u>\$ 1,404,422</u>
Fund Balance - Beginning			<u>2,291,060</u>	
Fund Balance - Ending			<u><u>\$3,695,482</u></u>	

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is used to assist in formatting for easier reading)

**ENOCH CITY**  
**SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**UTAH RETIREMENT SYSTEMS**  
**Measurement Date of December 31, 2021**  
**June 30, 2022**  
**Last 10 Fiscal Years\***

	Noncontributory Retirement System	Public Safety Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighter Retirement System
Proportion of the Net Pension Liability (Asset)				
2014	0.0441310%	0.1119593%	0.0132496%	0.0182488%
2015	0.0443071%	0.1314769%	0.0128077%	0.0582976%
2016	0.0438532%	0.1025795%	0.0123024%	0.0655209%
2017	0.0438114%	0.0878650%	0.0196081%	0.0845711%
2018	0.0435459%	0.0975602%	0.0203524%	0.0655209%
2019	0.0441583%	0.1158864%	0.0181404%	0.0934495%
2020	0.0425199%	0.1036646%	0.0194177%	0.0781778%
2021	0.0477213%	0.1184584%	0.0216734%	0.0724323%
Proportionate Share of the Net Pension Liability (Asset)				
2014	\$ 191,627	\$ 140,798	\$ (402)	\$ (270)
2015	\$ 250,711	\$ 235,508	\$ (28)	\$ (852)
2016	\$ 281,591	\$ 208,162	\$ 1,372	\$ (177)
2017	\$ 191,951	\$ 137,830	\$ 1,728	\$ (979)
2018	\$ 320,660	\$ 250,982	\$ 8,716	\$ 1,642
2019	\$ 166,427	\$ 186,069	\$ 4,080	\$ 8,790
2020	\$ 21,810	\$ 86,067	\$ 2,793	\$ 7,012
2021	\$ (273,305)	\$ (96,205)	\$ (9,173)	\$ (3,661)
Covered Employee Payroll				
2014	\$ 392,079	\$ 164,485	\$ 65,113	\$ 7,614
2015	\$ 394,025	\$ 186,780	\$ 82,741	\$ 34,684
2016	\$ 372,045	\$ 151,553	\$ 100,891	\$ 16,856
2017	\$ 325,267	\$ 106,412	\$ 191,795	\$ 89,275
2018	\$ 313,939	\$ 122,836	\$ 237,745	\$ 87,607
2019	\$ 317,924	\$ 133,428	\$ 252,106	\$ 154,009
2020	\$ 287,129	\$ 117,393	\$ 310,516	\$ 157,390
2021	\$ 313,607	\$ 138,176	\$ 402,092	\$ 173,213
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll				
2014	49.90%	85.60%	-0.06%	-3.50%
2015	63.63%	126.09%	-0.03%	-2.46%
2016	75.69%	137.35%	1.36%	-1.05%
2017	59.01%	129.53%	0.90%	-1.10%
2018	102.14%	204.32%	3.67%	1.87%
2019	52.35%	139.45%	1.62%	5.71%
2020	7.60%	73.32%	0.90%	4.46%
2021	-87.15%	-69.62%	-2.28%	-2.11%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability				
2014	90.20%	90.50%	103.50%	120.50%
2015	87.80%	87.10%	100.20%	110.70%
2016	87.30%	86.50%	95.10%	103.60%
2017	91.90%	90.20%	97.40%	103.00%
2018	87.00%	84.70%	90.80%	95.60%
2019	93.70%	90.90%	96.50%	89.60%
2020	99.20%	95.50%	98.30%	93.10%
2021	108.70%	104.20%	103.80%	102.80%

\* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. This schedule will need to be built prospectively. The schedule above is for 2014 through 2021.



**ENOC CITY**  
**SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS**  
**UTAH RETIREMENT SYSTEMS**  
**June 30, 2022**

	As of Fiscal Year Ended June 30,	Actuarial Determined Contributions	Contributions in Relation to The Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions As a Percentage of Covered Employee Payroll
Noncontributory System	2013	\$ 71,237	\$ 71,237	\$ -	\$ 478,320	14.89%
	2014	\$ 63,760	\$ 63,760	\$ -	\$ 398,337	16.01%
	2015	\$ 65,946	\$ 65,946	\$ -	\$ 389,137	16.95%
	2016	\$ 66,080	\$ 66,080	\$ -	\$ 390,146	16.94%
	2017	\$ 61,518	\$ 61,518	\$ -	\$ 333,070	18.47%
	2018	\$ 59,013	\$ 59,013	\$ -	\$ 319,510	18.47%
	2019	\$ 58,272	\$ 58,272	\$ -	\$ 315,494	18.47%
	2020	\$ 57,330	\$ 57,330	\$ -	\$ 310,396	18.47%
	2021	\$ 53,907	\$ 53,907	\$ -	\$ 291,865	18.47%
	2022	\$ 57,737	\$ 57,737	\$ -	\$ 312,600	18.47%
Public Safety System	2013	\$ 46,419	\$ 46,419	\$ -	\$ 152,442	30.45%
	2014	\$ 59,845	\$ 59,845	\$ -	\$ 183,915	32.54%
	2015	\$ 57,083	\$ 57,083	\$ -	\$ 165,778	34.43%
	2016	\$ 61,407	\$ 61,407	\$ -	\$ 180,397	34.04%
	2017	\$ 39,003	\$ 39,003	\$ -	\$ 114,580	34.04%
	2018	\$ 38,429	\$ 38,429	\$ -	\$ 112,894	34.04%
	2019	\$ 47,398	\$ 47,398	\$ -	\$ 139,242	34.04%
	2020	\$ 41,521	\$ 41,521	\$ -	\$ 121,997	34.03%
	2021	\$ 41,785	\$ 41,785	\$ -	\$ 122,752	34.04%
	2022	\$ 47,574	\$ 47,574	\$ -	\$ 139,760	34.04%
Tier 2 Public Employees System*	2013	\$ 3,510	\$ 3,510	\$ -	\$ 27,549	12.74%
	2014	\$ 4,378	\$ 4,378	\$ -	\$ 31,026	14.11%
	2015	\$ 11,618	\$ 11,618	\$ -	\$ 83,856	13.85%
	2016	\$ 12,796	\$ 12,796	\$ -	\$ 85,822	14.91%
	2017	\$ 20,811	\$ 20,811	\$ -	\$ 139,472	14.92%
	2018	\$ 33,671	\$ 33,671	\$ -	\$ 222,836	15.11%
	2019	\$ 37,594	\$ 37,594	\$ -	\$ 242,422	15.51%
	2020	\$ 45,022	\$ 45,022	\$ -	\$ 287,496	15.66%
	2021	\$ 52,887	\$ 52,887	\$ -	\$ 334,843	15.79%
	2022	\$ 67,413	\$ 67,413	\$ -	\$ 419,494	16.07%

**ENOCH CITY**  
**SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS**  
**UTAH RETIREMENT SYSTEMS**  
**June 30, 2022**

	As of Fiscal Year Ended June 30,	Actuarial Determined Contributions	Contributions in Relation to The Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions As a Percentage of Covered Employee Payroll
Tier 2 Public Safety and Firefighter System*	2013	\$ -	\$ -	\$ -	\$ -	0.00%
	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	\$ 4,682	\$ 4,682	\$ -	\$ 23,731	19.73%
	2016	\$ 5,398	\$ 5,398	\$ -	\$ 23,993	22.50%
	2017	\$ 11,911	\$ 11,911	\$ -	\$ 52,936	22.50%
	2018	\$ 19,569	\$ 19,569	\$ -	\$ 86,705	22.57%
	2019	\$ 26,286	\$ 26,286	\$ -	\$ 113,993	23.06%
	2020	\$ 39,548	\$ 39,548	\$ -	\$ 169,730	23.30%
	2021	\$ 36,349	\$ 36,349	\$ -	\$ 140,607	25.85%
	2022	\$ 52,456	\$ 52,456	\$ -	\$ 203,082	25.83%
Tier 2 Public Employees DC Only System*	2013	\$ -	\$ -	\$ -	\$ -	0.00%
	2014	\$ 1,564	\$ 1,564	\$ -	\$ 28,019	5.58%
	2015	\$ 1,926	\$ 1,926	\$ -	\$ 31,037	6.21%
	2016	\$ 2,059	\$ 2,059	\$ -	\$ 30,778	6.69%
	2017	\$ 2,280	\$ 2,280	\$ -	\$ 34,086	6.69%
	2018	\$ 2,486	\$ 2,486	\$ -	\$ 37,161	6.69%
	2019	\$ 3,225	\$ 3,225	\$ -	\$ 46,666	6.91%
	2020	\$ 4,788	\$ 4,788	\$ -	\$ 71,574	6.69%
	2021	\$ 4,623	\$ 4,623	\$ -	\$ 69,103	6.69%
	2022	\$ 5,319	\$ 5,319	\$ -	\$ 79,508	6.69%
Tier 2 Public Safety and Firefighter DC Only System*	2013	\$ -	\$ -	\$ -	\$ -	0.00%
	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	\$ -	\$ -	\$ -	\$ -	0.00%
	2016	\$ -	\$ -	\$ -	\$ -	0.00%
	2017	\$ -	\$ -	\$ -	\$ -	0.00%
	2018	\$ -	\$ -	\$ -	\$ -	0.00%
	2019	\$ -	\$ -	\$ -	\$ -	0.00%
	2020	\$ -	\$ -	\$ -	\$ -	0.00%
	2021	\$ -	\$ -	\$ -	\$ -	0.00%
	2022	\$ 1,722	\$ 1,722	\$ -	\$ 14,553	11.83%

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

Paragraph 81b 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.

**ENOCH CITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN**  
**UTAH RETIREMENT SYSTEMS**  
**For The Fiscal Year Ended June 30, 2022**

**Changes in Assumptions:**

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

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## **COMPLIANCE SECTION**

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# Kimball & Roberts

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

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

Honorable Mayor and City Council  
Enoch City  
Enoch, Utah 84721

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental-type activities, the business-type activities, each major fund and the aggregate remaining fund information of Enoch City, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Enoch City's basic financial statements, and have issued our report thereon dated October 10, 2022.

### **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

We noted certain matters that we reported to the management of Enoch City in the accompanying *Independent Auditor's Report on Compliance and Report on Internal Control Over Compliance as Required by the State Compliance Audit Guide*.

### **Management's Response to Findings**

Enoch City's responses to the findings identified in our audit are described in the accompanying Findings and Recommendations. We did not audit the City's response and, accordingly, we express no opinion on it.

### **Purpose of this Report**

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kimball & Roberts, PC*

Certified Public Accountants

October 10, 2022  
Richfield, Utah

# Kimball & Roberts

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

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

Honorable Mayor and City Council  
Enoch City  
Enoch, Utah 84721

### **Report on Compliance with General State Compliance Requirements**

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

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

Budgetary Compliance	Fraud Risk Assessment
Fund Balance	Governmental Fees
Restricted Taxes and Related Revenues	Public Treasurer's Bond

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

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

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

### ***Opinion on General State Compliance Requirements***

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

### ***Other Matters***

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

### **Finding: State Compliance – General Fund Balance**

Cities are permitted to accumulate fund balances with a limit of 35% of the total General Fund revenues and a minimum of 5% of total revenues.

Total General Fund Revenues for 2018	\$ 3,997,426
Allowable Percentage – Unassigned Balance	<u>x .35</u>
Total Maximum Fund Balance Allowed	\$ 1,399,099
Present Unreserved Fund Balance	<u>\$ 1,415,651</u>
Excess (Deficit) Fund Balance	<u>\$ 16,552</u>

The City has a fund balance in the General Fund in excess of the amount allowed by State Law.

### **Auditor's Recommendation:**

We recommend that the City budget the excess funds into next year's budget or transfer the excess amount to the Capital Projects Fund for future planned capital projects.

### **Enoch City's Response:**

We will do as the auditors recommend and will add the excess amount to next year's budget.

### **Report on Internal Control Over Compliance**

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



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

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

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

*Kimball & Roberts, PC*

Certified Public Accountants

October 10, 2022  
Richfield, Utah