Financial Statements
June 30, 2022

Salt Lake City Public Library

(A Component Unit of Salt Lake City Corporation)

Salt Lake City Public Library
(A Component Unit of Salt Lake City Corporation)
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Independent Auditor's Report

The Board of Directors
Salt Lake City Public Library
Salt Lake City, UT

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Salt Lake City Public Library, a component unit of Salt Lake City Corporation, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Salt Lake City Public Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Salt Lake City Public Library as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenues, expenditures and changes in fund balances budget to actual – general fund, schedule of changes in the total OPEB liability and related ratios, schedule of proportionate share of the net pension liability, schedule of contributions, and notes to required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an

essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2022, on our consideration of the Salt Lake City Public Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of Salt Lake City Public Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Salt Lake City Public Library's internal control over financial reporting and compliance.



Salt Lake City, Utah
November 22, 2022

This section of the Salt Lake City Public Library's (the Library's) annual financial report presents management's discussion and analysis of the Library's financial performance during the fiscal year ended June 30, 2022. The Library is a component unit of Salt Lake City.

FINANCIAL HIGHLIGHTS

- The Library's total net position at the close of the fiscal year was $30,324,248, an increase of $3,146,985 from the previous year. This amount is comprised of a net investment in capital assets of $13,821,782, restricted net position of $246,105, and $16,256,361 in unrestricted net position.

- Excluding transfers to other funds, general fund revenues exceeded expenditures by $3,988,147.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Library's annual financial report includes: 1) this discussion and analysis, which serves as an introduction to the Library's basic financial statements; 2) the basic financial statements comprised of government-wide financial statements, fund financial statements, and notes to the financial statements; and 3) required and additional supplementary information.

Government-wide financial statements. The government-wide financial statements include a statement of net position and a statement of activities that provide a perspective of the Library's overall financial status. These statements are reflected in the last column of the statements and are prepared using accrual accounting methods.

- The *statement of net position* presents information on all of the Library's assets and liabilities. The difference between assets and liabilities represents the Library's net position. Increases or decreases in net position, when viewed over time, may be an indicator of an improving or deteriorating financial position, respectively.

- The *statement of activities* presents information about the change in the Library's net position during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs irrespective of the timing of the related cash flows.

Reconciliations between the long-term perspective of the government-wide financial statements and the short-term perspective of the fund financial statements are provided in this report.

Fund financial statements. A fund is a group of related accounts used to control resources that have been segregated for specific activities or objectives. This segregation is also used to ensure compliance with finance-related legal requirements.

The Library utilizes three governmental funds: a general fund, a capital projects fund, and a debt service fund. The fund financial statements are reflected in the first three columns of the financial statements. Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, these statements are prepared using modified accrual accounting, which measure cash and other financial assets readily convertible to cash and their balances available for use at year-end. As a result, these statements provide a short-term perspective of the Library's general government operations and the basic services provided and may assist in determining the availability of financial resources that could be used in the near future to finance the Library's programs.

Notes to the financial statements. Notes to the financial statements provide information essential to understanding the government-wide and fund financial statements.

Required and additional supplementary information. The supplementary information further explains and supports the information in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Increases or decreases in net position, when viewed over time, may serve as an indicator of whether the Library's financial position is improving or deteriorating, respectively. The following is a summarized statement of net position and statement of activities.

SALT LAKE CITY PUBLIC LIBRARY'S NET POSITION

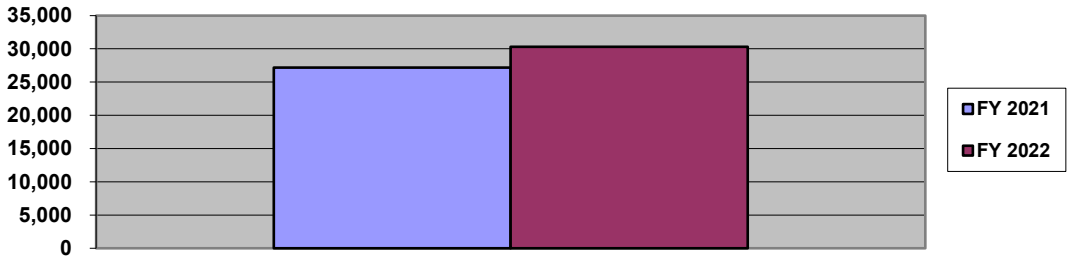
	2021	2022	% Change
Current and Other Assets	$ 39,285,793	$ 47,063,911	19.8%
Capital Assets, Net of Depreciation	14,024,291	13,876,300	(1.1%)
Total assets	53,310,084	60,940,211	14.3%
Deferred Outflows of Resources	1,253,533	1,528,166	21.9%
Short-term Liabilities and Unearned Revenues	1,694,367	1,387,977	(18.1%)
Long-term Liabilities	1,414,186	1,015,574	(28.2%)
Total liabilities	3,108,553	2,403,551	(22.7%)
Deferred Inflows of Resources	24,277,801	29,740,578	22.5%
Net Position			
Net investment in capital assets	13,793,705	13,821,782	0.2%
Restricted	247,758	246,105	(0.7%)
Unrestricted	13,135,800	16,256,361	23.8%
Total net position	$ 27,177,263	$ 30,324,248	11.6%

SALT LAKE CITY PUBLIC LIBRARY'S STATEMENT OF ACTIVITIES

	2021	2022	% Change
Revenues	$ 24,285,983	$ 24,675,129	1.6%
Expenditures	21,763,057	21,528,144	(1.1%)
Change in net position	$ 2,522,926	$ 426,541	-83.1%

Statement of Net Position. The Library's net position, assets and deferred outflows in excess of liabilities and deferred inflows, totaled $30,324,248 at the end of fiscal year 2022, an increase of $3,146,985 or 11.6 percent from the fiscal year 2021 net position of $27,177,263. This information is depicted in the following graph.

SALT LAKE CITY PUBLIC LIBRARY'S NET POSITION
FY 2021 & FY 2022 COMPARISON
(In thousands)



Cash and investments increased $1,568,353 to $20,810,235. Tax collections and passport services revenue were higher in fiscal year 2022 than in fiscal year 2021. A smaller distribution from the Salt Lake City Redevelopment Agency resulted in lower intergovernmental revenues, and interest earnings were lower due to lower interest rates and the fair market value of investments. Expenditures were also lower in fiscal year 2022 than in fiscal year 2021 due to a lower amount spent on capital projects and lower interest costs that resulted from the refinancing of the Glendale and Marmalade bonds.

Receivables, prepaid assets, and net pension assets increased $6,209,765. Property taxes receivable at June 30, 2022, is the estimated amount of property taxes to be collected for the 2022 property tax assessment year due in November 2022. The property tax receivable amount is higher than the previous year because the Library was granted a property tax increase. Net pension assets accounted for $3,152,057 of this increase.

Total capital assets net of accumulated depreciation decreased by $147,991, largely a result of a lower annual depreciation amount.

Deferred outflows relating to pensions totaled $1,528,166, an increase of $274,633.

Accounts payable and other short-term liabilities decreased $306,390 from $1,694,367 to $1,387,977. The decrease is attributable to the timing of when invoices are paid near the close of the fiscal year.

Long-term liabilities decreased $398,612 due to lower balances in other post-employment retirement benefits and compensated absences. The net pension liability present in prior years was zero.

Deferred taxes receivable and property taxes received in advance increased $3,252,362 due to the approved 2022 property tax increase. Deferred inflows relating to pensions increased $2,210,415 resulting in a combined increase of $5,462,777 in deferred inflows of resources.

Statement of Activities. The Library's total revenue for fiscal year 2022 increased 1.6 percent or $389,146, from fiscal year 2021. Increases in property tax and passport services revenues were partially offset with a lower Salt Lake City Redevelopment Agency distribution and lower interest earnings due to low interest rates.

Total expenses decreased 1.1 percent or $234,913 from $21,763,057 to $21,528,144 between fiscal years 2021 and 2022. Personnel costs, the largest expense category, decreased $341,872, due to lower long-term liabilities and pension related balances.

Expenses related to buildings, grounds, and equipment were higher in fiscal year 2022 by $201,214 or 13.2 percent. Building maintenance and utility costs are responsible for this increase.

Expenses for services decreased 10.2 percent or $100,786. The decrease reflects a lower amount paid for professional and technical services attributable to the completion of the master facilities plan.

Materials and supplies increased $200,252 or 35.9 percent. As the Library began opening up from the Covid-19 closure, departments spent more on special department supplies and more funds were utilized for travel and training related to professional conferences.

Depreciation expense decreased $144,929. This decrease is due to aging assets that are now fully depreciated such as the Library's automated materials handling systems and self-checkout machines. In addition, a shift is occurring away from depreciable circulating materials to non-depreciable circulating materials like e-books and databases.

Interest expense decreased 31.7 percent or $144,929, due to the refinancing of the Salt Lake City Local Building Authority bonds for the Glendale and Marmalade branch libraries. While the bonds were not issued by the Library, the Library makes the bond payments as a lease payment to Salt Lake City.

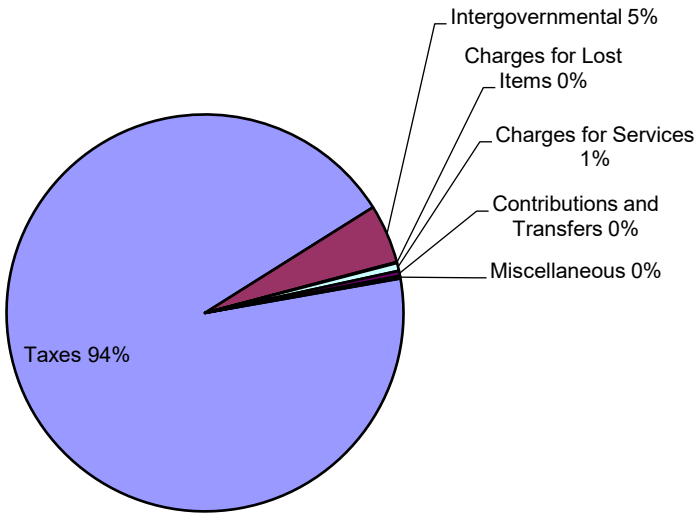
GOVERNMENTAL FUND FINANCIAL ANALYSIS

The governmental funds provide a short-term perspective of the Library's general government operations and the financial resources available in the near future to finance the Library's programs. Differences between available financial resources and the short-term obligations of general government operations are reported as fund balances. Fund balances are designated as nonspendable, restricted, committed, assigned or unassigned. As of June 30, 2022, the Library's governmental funds, which include the general fund, the capital project fund and the debt service fund, reported a combined fund balance of $16,877,906, an increase of $1,821,319 from last year's ending combined fund balance.

The general fund is the main operating fund of the Library. All governmental-type activities not accounted for in the capital project and debt service funds are accounted for in the general fund. Accounting for activities in funds other than the general fund may be required by state regulations, local ordinances, or the Library may simply desire to isolate the revenues and expenditures associated with a particular activity for management purposes. The fund balance of the general fund increased $1,267,703 to $9,354,953, during the fiscal year ended June 30, 2022.

The following charts reflect general fund revenues and expenditures for fiscal year 2022.

REVENUES BY SOURCE
GENERAL FUND FOR FY 2022

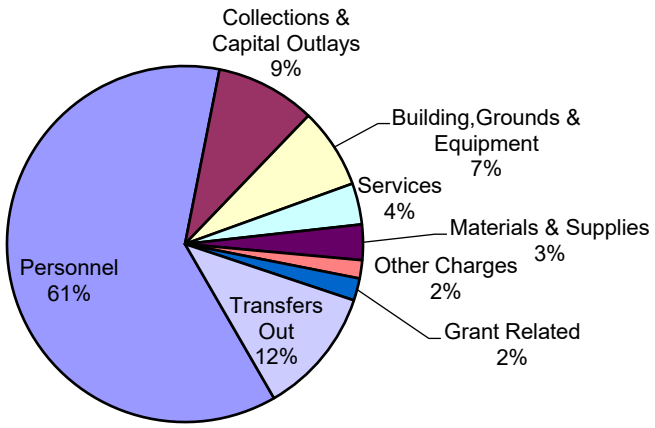


Property taxes comprised of real, personal, and motor vehicle taxes were the largest source of revenue in the general fund representing approximately 94 percent.

Intergovernmental revenues comprised of federal, state and local payments, and grants accounted for 5 percent of the general fund revenues, the second largest category for fiscal year 2022. Approximately 81 percent of this revenue category came from the Salt Lake City Redevelopment Agency. Federal and state grants made up 15 percent of intergovernmental revenues.

All combined, charges for services, charges for lost items, miscellaneous revenues, and contributions and transfers accounted for just over 1 percent of general fund revenues.

EXPENDITURES BY CATEGORY
GENERAL FUND FOR FY 2022



Personnel costs comprised of salaries and wages, payroll taxes, employee insurance, and retirement contributions accounted for 61 percent of fiscal year 2022 expenditures.

Transfers to the capital project and debt service funds comprised 12 percent of fiscal year 2022 costs. Transfers to the capital project fund totaled $1,813,500 or 67 percent of transfers. The remaining 33 percent of transfers was to the debt service fund for annual lease payments for the Glendale and Marmalade branch libraries.

Collections and capital outlays totaled 9 percent of general fund expenditures. Circulating collections, which includes print, audio and visual materials, databases, e-books and audio, and newspapers and magazines, accounted for 93 percent of these expenditures. Most capital outlays are budgeted and accounted for in the capital projects fund. However, when an unanticipated capital need arises during the fiscal year, using general fund resources may be a more optimal way to meet the capital need. Just $151,745 or 7 percent of expenditures in this category was spent on capital outlays related to buildings, improvements, equipment, and furniture.

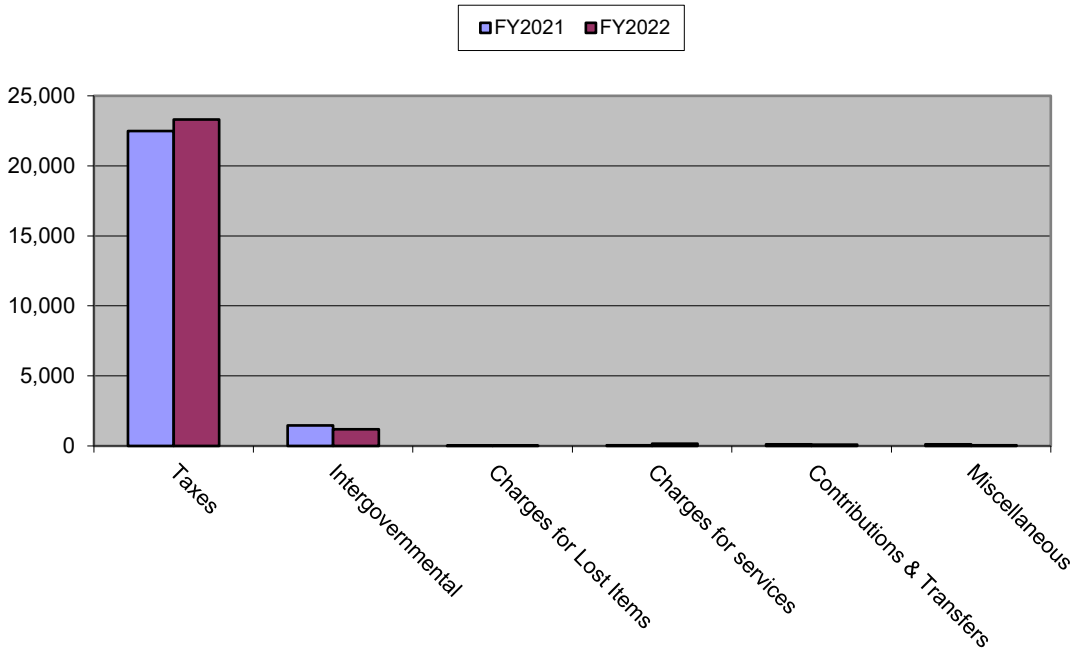
Buildings, grounds, and equipment include maintenance and utility costs on all eight library locations and accounted for 7 percent of general fund expenditures.

Payments for services accounted for 4 percent of general fund expenditures. About 52 percent of these costs were for professional and technical services such as technology services and contracts. Library sponsored programming costs made up 30 percent, and cataloging services made up 11 percent.

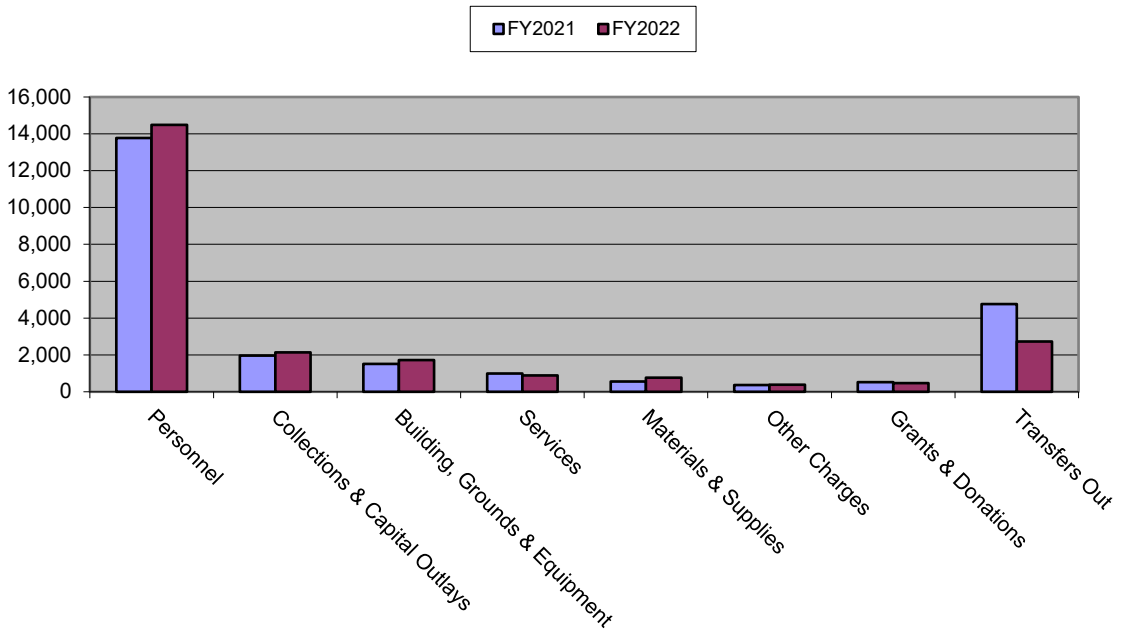
Materials and supplies, other charges, and grant related costs made up the remaining 7 percent of fiscal year 2022 expenditures. Approximately 84 percent of materials and supplies were for special department supplies, marketing, and travel and training. Other charges are comprised of property and liability insurance associated with the Library's eight locations. Grant related costs include payments to other governments totaling $327,108, representing property tax revenue collected and paid by Salt Lake County directly to the Utah Inland Port and the Convention Facility.

The following charts compare fiscal year 2021 and 2022 general fund revenues and expenditures by type.

REVENUES BY SOURCE
GENERAL FUND COMPARISON FY 2021 & FY 2022
(In thousands)



EXPENDITURES BY CATEGORY
GENERAL FUND COMPARISON FY 2021 & FY 2022
(In thousands)



GENERAL FUND BUDGETARY HIGHLIGHTS

The fiscal year 2022 originally adopted budget for the general fund totaled $24,548,760. One budget amendment totaling $500,000 was enacted during the year. The budget amendment was for tax increment pass-through funding. The amended general fund budget for fiscal year 2022 totaled $25,048,760.

Actual general fund expenditures and transfers to other funds for the year ended June 30, 2022, totaled $23,571,258. This amount is $977,502 below the originally adopted budget and $1,477,502 below the amended general fund budget. Both the budgeted and actual amounts include transfers to other funds. Budgeted and actual transfers to other funds totaled $2,853,200 and $2,720,444, respectively.

All general fund expenditure categories reflected positive budget variances. Personnel accounted for approximately 59 percent of the positive variance due to positions that remained vacant for all or a portion of the fiscal year and savings from budgeted estimates for employee health insurance, which were higher than actual.

Grants and donations had a positive budget variance of 11 percent because the estimated budget for the tax increment pass-through funding was higher than the actual amount.

Three categories: buildings, grounds and equipment; services; and materials and supplies categories each accounted for 9 percent of the positive variance. Maintenance for equipment, buildings and grounds was underspent by about $90,000. In the services category, professional and technical services and patron programming were underspent by about $69,000 and $31,000, respectively. The favorable variance in material and supplies was a result of underspending in travel and training and special department supplies.

The two remaining categories, collections and capital outlay and other charges, had positive variances of less than 3 percent each.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2022, the Library had $13,876,300 in capital assets, net of accumulated depreciation. This amount is $147,991 lower than as of June 30, 2021. The following is a summary of the Library's capital assets:

SALT LAKE CITY PUBLIC LIBRARY'S CAPITAL ASSETS
(net of depreciation)

	2021	2022
Land	$ 126,107	$ 126,107
Buildings and improvements	6,625,883	6,341,004
Improvements other than buildings	1,216,522	1,326,361
Furniture, fixtures and equipment	2,668,148	2,728,866
Circulating collections	3,316,296	3,242,854
Website development	6,250	4,250
Construction in-progress	65,087	106,858
Total	$ 14,024,293	$ 13,876,300

Construction in progress includes the roof replacement and network infrastructure extensions at the Main Library.

Debt Administration

At June 30, 2022, the Library had total long-term liabilities of $1,015,574. Compensated absences account for $820,451 of this amount with other post-employment benefits making up the remaining $195,123.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The fiscal year 2023 general fund budget is $28,598,885. This amount represents an increase of $4,050,125 or 16 percent over the fiscal year 2022 adopted budget and $3,550,125 or 14 percent over the fiscal year 2022 amended budget. In addition to overall cost increases across many sectors, the Library's budget reflects a substantial increase in personnel costs. Increased personnel costs are attributable to the Library's attempt to keep pace with employee market conditions and the addition of 18 new full-time equivalent staff, which includes the creation of assistant manager positions at some locations and staffing level increases in the areas of safety, custodial, and other support roles. Staffing a physical Library presence in Salt Lake City's Ballpark neighborhood was also included.

The fiscal year 2023 general fund budget includes increased tax revenues from new growth and also from a Salt Lake City Council approved request for approximately $2,782,000 in new revenue with the corresponding adjustment in the certified tax rate.

The amount of tax revenue assessed is determined by the tax rate and the assessed property value. The amount collected for the year is reduced by various relief programs including the Library's portion to fund the Redevelopment Agency. Absent a public hearing, an increase in the Library's property tax revenue is limited to new growth.

The fiscal year 2023 budget assumes the Library will not experience further disruption in services due to the Covid-19 pandemic. Because a large majority of the Library's budget is derived from property tax revenue, the Library is monitoring these tax collections in light of current economic conditions. Based on fiscal year 2022 tax revenue, the Library does not anticipate any significant issues with tax collections and tax revenue.

The fiscal year 2023 general fund budget includes the use of $1,163,350 in unrestricted fund balance for various one-time expenditures and capital projects, including some funds to establish a Ballpark location. Factoring in the budgeted use of unrestricted fund balance, the Library's general fund unrestricted fund balance at June 30, 2022, remains above the goal of 16 percent of the subsequent year's general fund budget at 30.2 percent.

Transfers out of the general fund for fiscal year 2023 total $3,306,700. Of this amount, $2,271,500 is budgeted to go to the capital projects fund for capital projects and the annual contribution to the reserves for facilities maintenance and technology replacement. The remaining $1,035,200 will be transferred to the debt service fund to make the lease payments to Salt Lake City on the Glendale and Marmalade branches.

REQUESTS FOR FINANCIAL INFORMATION

This financial report is designed to provide users with a general overview of the Library's finances and demonstrate accountability for the sources and uses of funding. Questions concerning information contained in this report or requests for additional financial information should be addressed to the Finance Manager, Salt Lake City Public Library, 210 East 400 South, Salt Lake City, Utah, 84111.

Salt Lake City Public Library
(A Component Unit of Salt Lake City Corporation)
Governmental Fund Balance Sheets and Statement of Net Position
June 30, 2022

	General Fund	Capital Projects Fund	Debt Service Fund	Total	Adjustments	Note 2	Statement of Net Position
Assets							
Cash	$ 2,565,285	$ -	$ -	$ 2,565,285	$ -		$ 2,565,285
Investments							
Public Treasurers' Investment Fund	10,657,956	6,557,565	1,029,429	18,244,950	-		18,244,950
Taxes Receivable	22,513,420	-	-	22,513,420	-		22,513,420
Delinquent Taxes Receivable	247,858	-	-	247,858	-		247,858
Other Receivables	51,889	-	-	51,889	-		51,889
Prepaid Assets	288,452	-	-	288,452	-		288,452
Net Pension Asset	-	-	-	-	3,152,057	C	3,152,057
Capital Assets							
Land	-	-	-	-	126,107	A	126,107
Construction in-progress	-	-	-	-	106,858	A	106,858
Other capital assets, net of depreciation	-	-	-	-	13,643,335	A	13,643,335
Total capital assets, net	-	-	-	-	13,876,300		13,876,300
Total assets	$ 36,324,860	$ 6,557,565	$ 1,029,429	$ 43,911,854	$ 17,028,357		$ 60,940,211
Deferred Outflows of Resources							
Deferred Outflows Relating to Pensions	$ -	$ -	$ -	$ -	$ 1,528,166	C	$ 1,528,166
Liabilities							
Accounts Payable and Accrued Liabilities	$ 1,320,902	$ 64,041	$ -	$ 1,384,943	$ -		$ 1,384,943
Unearned Revenues	3,034	-	-	3,034	-		3,034
Long-Term Liabilities							
Other post-employment benefits	-	-	-	-	195,123	B	195,123
Compensated absences	-	-	-	-	820,451	B	820,451
Total long-term liabilities	-	-	-	-	1,015,574		1,015,574
Total liabilities	1,323,936	64,041	-	1,387,977	1,015,574		2,403,551
Deferred Inflows of Resources							
Unavailable Taxes Receivable	22,513,420	-	-	22,513,420	-		22,513,420
Property Taxes Received in Advance	2,884,693	-	-	2,884,693	-		2,884,693
Delinquent Taxes	247,858	-	-	247,858	(247,858)	D	-
Deferred Inflows Relating to Pensions	-	-	-	-	4,342,465	C	4,342,465
Total deferred inflows of resources	$ 25,645,971	$ -	$ -	$ 25,645,971	$ 4,094,607		$ 29,740,578

	General Fund	Capital Projects Fund	Debt Service Fund	Total	Adjustments	Note 2	Statement of Net Position
Fund Balances/Net Position							
Fund Balances							
Nonspendable	$ 288,452	$ -	$ -	$ 288,452	$ (288,452)		
Restricted	24,642	221,463	-	246,105	(246,105)		
Committed	-	4,154,831	1,029,429	5,184,260	(5,184,260)		
Assigned	-	2,117,230	-	2,117,230	(2,117,230)		
Unassigned	9,041,859	-	-	9,041,859	(9,041,859)		
Total fund balances	9,354,953	6,493,524	1,029,429	16,877,906	(16,877,906)		
Total liabilities, deferred inflows of resources, and fund balances	$ 36,324,860	$ 6,557,565	$ 1,029,429	$ 43,911,854			
Net Position							
Net investment in capital assets					13,821,782	A	$ 13,821,782
Restricted					246,105		246,105
Unrestricted					16,256,361		16,256,361
Total net position					$ 30,324,248		$ 30,324,248

Salt Lake City Public Library

(A Component Unit of Salt Lake City Corporation)

Statements of Governmental Funds Revenues, Expenditures and Changes in Fund Balances and Activities

Year Ended June 30, 2022

	General Fund	Capital Projects Fund	Debt Service Fund	Total	Adjustments	Note 2	Statement of Activities
Revenues							
Tax revenues	$ 23,309,752	$ -	$ -	$ 23,309,752	$ (141,230)	D	$ 23,168,522
Intergovernmental revenues	1,193,869	-	-	1,193,869	-		1,193,869
Charges for lost items	20,090	-	-	20,090	-		20,090
Charges for services	159,091	-	-	159,091	-		159,091
Contributions	104,380	-	-	104,380	-		104,380
Miscellaneous	51,780	(16,618)	-	35,162	(5,985)	G	29,177
Total revenues	24,838,962	(16,618)	-	24,822,344	(147,215)		24,675,129
Expenditures							
Personnel	14,484,301	-	-	14,484,301	(1,614,886)	E	12,869,415
Collections and capital outlays	2,138,692	1,238,289	-	3,376,981	(2,166,819)	F	1,210,162
Buildings, grounds and equipment	1,720,577	-	-	1,720,577	-		1,720,577
Services	883,517	-	-	883,517	-		883,517
Materials and supplies	758,454	-	-	758,454	-		758,454
Other charges	389,855	-	-	389,855	-		389,855
Grants and donations	475,419	-	-	475,419	-		475,419
Debt service							
Principal	-	-	600,000	600,000	-		600,000
Interest and other fiscal charges	-	-	311,921	311,921	-		311,921
Depreciation	-	-	-	-	2,308,824	F	2,308,824
Total expenditures	20,850,815	1,238,289	911,921	23,001,025	(1,472,881)		21,528,144
Excess of Revenues over Expenditures	3,988,147	(1,254,907)	(911,921)	1,821,319	1,325,666		3,146,985
Other Financing Sources							
Transfers in	-	1,813,500	906,944	2,720,444	-		2,720,444
Transfers out	(2,720,444)	-	-	(2,720,444)	-		(2,720,444)
Total other financing sources	(2,720,444)	1,813,500	906,944	-	-		-
Change in Fund Balance/Net Position	1,267,703	558,593	(4,977)	1,821,319	1,325,666		3,146,985
Fund Balance/Net Position							
Beginning of year	8,087,250	5,934,931	1,034,406	15,056,587	12,120,676		27,177,263
Fund Balance/Net Position							
End of year	$ 9,354,953	$ 6,493,524	$ 1,029,429	$ 16,877,906	$ 13,446,342		$ 30,324,248

Note 1 - Organization and Summary of Significant Accounting Policies

Reporting Entity

The Salt Lake City Public Library (the Library) is legally separate from the Salt Lake City Corporation (the City), but is financially accountable to and a component unit of the City. The accompanying financial statements include only the Library. The Library reimburses the City for legal, treasury, and engineering services.

Basis of Accounting

Revenues and expenditures of the Library are recognized using the modified accrual basis of accounting for reporting fund balances. The full accrual basis of accounting is used for reporting government-wide balances.

Under the modified accrual method of accounting, revenues are recorded as the cash is received, except for (a) revenues susceptible to accrual, i.e., measurable and available, and (b) revenues received prior to the period of benefit. Revenues considered to be susceptible to accrual are taxes, interest, and intergovernmental revenue. Determination of when revenue is recognized is as follows:

- When property taxes are levied, they are measurable. They become available when they are due, as long as they are received by the Library soon enough to pay liabilities of the current period (not over 60 days after year end). Amounts that are measurable but not available are recorded as deferred inflows of resources. Delinquent taxes are not recognized as revenue until collected.
- All taxes received in the current calendar year are recognized as revenues in the budget/fiscal year ending the following June 30, as this is the period for which the taxes were levied.

Expenditures are recognized in the accounting period in which the liability is incurred.

The government-wide statements report information about the Library as a whole using the full accrual basis of accounting. The statement of net position includes all of the Library's assets, liabilities, and deferred outflows and inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Fund Accounting

The accounts of the Library are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows and inflows of resources, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various governmental funds are grouped in the financial statements as follows:

The General Fund is used to account for all financial resources of the Library not accounted for by a separate, specialized fund.

The Capital Projects Fund is used to account for financial resources used for the acquisition or construction of capital assets.

The Debt Service Fund is used to account for financial resources used for the debt service of Library branches. Certain buildings used for Library operations are owned by the City. Debt was issued by the Local Building Authority of the City to construct the buildings. The Library provides lease payments to the City in exchange for using the buildings for Library operations. Payments made by the Library to the City are equal to Local Building Authority debt service payments on the debt and related administrative expenditures. Such payments are expensed as incurred.

The Library follows required fund balance reporting with the following classifications: non-spendable, restricted, committed, assigned, and unassigned. The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or because they are legally or contractually required to be maintained intact.

Fund balances are reported as restricted when constraints placed on the use of resources are imposed by law through constitutional provisions, enabling legislation, by external creditors, grantors, contributors, or laws or regulations of other governments.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of a government's highest decision-making authority are classified as committed fund balances. The Salt Lake City Council, including the Salt Lake City Mayor, and Library Board of Directors (Board) are the Library's highest decision-making authorities. A vote of the highest decision-making authority is required to establish, modify, and rescind committed fund balances of the Library.

Amounts that are constrained by a government's intent to be used for specific purposes, but are neither restricted nor committed, are classified as assigned fund balances. For fund balance assignments, the Library Director, with the Library's Board of Directors' approval, is authorized to assign a fund balance for a specific purpose. The Library's assigned fund balance in the capital projects fund is assigned for the acquisition and construction of capital assets.

When an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, the Library's policy is for the Library Director to evaluate the expenditure and determine on a case by case basis whether restricted or unrestricted funds are used first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts are available, the Library's policy is for the Library Director to evaluate the expenditure and determine on a case by case basis whether committed, assigned, or unassigned funds are used first.

Budgets

The Library Board approves the Library's overall budget. It is then submitted to the City Council for adoption and inclusion in the City's overall budget.

The budget is prepared and adopted on or before June 22 for the fiscal year commencing the following July 1 in accordance with state law. The budget includes proposed expenditures and the proposed sources of financing for such expenditures. Prior to June 22, a public hearing is conducted to obtain taxpayers' feedback on the budget.

The Library's budget is adopted for expenditure category, but control of budget appropriations is exercised, under state law, at the Library level. Budgets can be amended to any extent by the Library's Board, providing the total budgeted expenditures do not exceed total budgeted revenues and appropriated fund balance. General fund appropriations lapse at June 30; however, they may be re-appropriated in the ensuing year's budget. The Library's budget is prepared on a basis consistent with generally accepted accounting principles.

Cash and Investments

The Library's investments in the State of Utah Public Treasurers' Investment Fund (PTIF) are valued at fair value based on the corresponding ratio of pool participants.

Capital Assets

Capital assets are recorded at cost when purchased or fair market value when donated. Expenditures for the acquisition, construction, or equipping of capital projects, together with related design, architectural, and engineering fees, are capitalized. The Library's threshold for capitalization is $5,000.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Buildings and building improvements	5-50
Improvements other than buildings	10-20
Circulating collections	5-20
Furniture, fixtures and equipment	5-20
Website development	7

No depreciation is provided on construction in-progress until construction is complete and the asset is placed in service.

Deferred Inflows and Outflows of Resources

In addition to assets, financial statements 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 will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements 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 will not be recognized as an inflow of resources (revenue) until that time.

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 and 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.

Property Taxes

Ad valorem (based on value) property taxes constitute a major source of General Fund revenue. Taxes are levied through the passage of an ordinance in June of each year. The levy is applicable to only one year. All taxable property is required to be assessed and taxed at a uniform and equal rate on the basis of its fair market value. The State Tax Commission is required to assess certain statutorily specified types of property including public utilities and mining property. The county assessor is required to assess all other taxable property, and both entities are required to assess the respective types of property as of January 1, the assessment date. The County is then required to complete the tax rolls by May 15. By July 21, the county treasurer is to mail assessed value and tax notices to property owners. Then a taxpayer may petition the county board of equalization between August 1 and August 15 for a revision of the assessed value. Approved changes in assessed value are made by the county auditor by November 1, and on this same date the auditor is to deliver the completed assessment rolls to the county treasurer. Tax notices are mailed with a due date of November 30, and delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the property, and the amount of taxes and penalties bear interest from January 1 until paid. If after five years delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to a Library account, controlled by Salt Lake City, from the County on a monthly basis.

GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, defines a non-exchange transaction as one in which "a government either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange." For property taxes, at January 1 of each year (the assessment date), Salt Lake City has the legal right to collect the taxes on behalf of the Library, and in accordance with the provisions of the statement, has recorded a receivable and a corresponding deferred inflow of resources for the assessed amount of those property taxes as of January 1, 2022.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 amounts could differ from those estimates.

Recent Accounting Pronouncements

In June 2017, GASB Statement No. 87, *Leases*, was issued. The statement is meant to better meet the needs of financial statement users by improving lease accounting and financial reporting by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. Inflows of resources or outflows of resources are recognized based on the payment provisions of the contract. The statement establishes a single model for lease accounting based on the foundational principle that leases finance the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use the leased asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources. This statement did not impact the Library's financial statements.

Note 2 - Governmental Activities Adjustments

The following adjustments have been made to the fund-based financial statements in order to present the accrual basis statements and schedules.

A. Capital Assets – When capital assets to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the Library as a whole.

Cost of capital assets	$ 31,992,790
Accumulated depreciation	(18,116,490)
Total capital assets, net	$ 13,876,300

B. Long-Term Liabilities – Long-term liabilities applicable to the Library's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities as of June 30, 2022, include:

Other post-employment benefits	$ 195,123
Compensated absences	$ 820,451

C. Pension – Pension assets, liabilities, and deferred outflows of resources and deferred inflows of resources relating to pensions are not short-term in nature and are therefore not reported in fund financial statements. Pension related transactions are accounted for under an economic resource measurement focus under the full accrual basis of accounting. Pension related balances as of June 30, 2022, were:

Deferred outflows of resources relating to pensions	$ 1,528,166
Net pension asset	$ 3,152,057
Deferred inflows of resources relating to pensions	$ 4,342,465

D. Property Tax Revenue – When governmental fund revenue is not available, but the related asset has been recorded, governments should report the amount as a deferred inflow of resources in governmental funds until the revenue becomes available. At June 30, 2022, the Library reported delinquent property taxes of $247,858 as a deferred inflow of resources because the tax revenue was not available to the Library. Governments should recognize revenue from property taxes, net of estimated uncollectible amounts, in the period for which the taxes are levied under full accrual accounting. Property tax revenue is $141,230 less in the statement of activities than in the governmental funds due to the timing differences in revenue recognition.

E. Expenditures Relating to Long-Term Liabilities and Pension – A net decrease in expenditures of $1,614,886 resulting from changes in long-term liabilities and pension related balances were not recorded in the statements of governmental funds revenues, expenditures and changes in fund balances; however, the net decrease of expenditures is reported on the statement of activities.

F. Capital Expenditures and Depreciation – When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year.

Capital outlays	$ (2,166,819)
Depreciation expense	$ 2,308,824

G. Sales of Capital Assets – When capital assets are sold, sales proceeds are reported as revenue in fund financial statements. Under full accrual accounting, sales proceeds are reduced by the net book value of disposed capital assets and a resulting gain or loss on the disposed capital assets is reported. Sales proceeds on Library disposed capital assets were $4,877 during the year ended June 30, 2022. Therefore, the Library has reported $4,877 of revenue in its fund financial statements for the year ended June 30, 2022. The Library's full accrual loss on the sale of assets is $1,108 for the year ended June 30, 2022. Miscellaneous revenue is $1,108 less in the statement of activities than in the governmental funds.

Note 3 - Cash and Investments

Cash as of June 30, 2022, is comprised of:

Cash on hand	$	2,125
Cash - deposits in transit		1,212
Cash deposits - net of outstanding checks		2,561,948
Total cash	$	2,565,285

The Library maintains pooled funds in the PTIF. The Library receives an allocation of interest income based upon its relative balance in the pooled accounts.

Deposits

The Library's policy for depository funds follows Utah State law, which requires that funds be deposited with a "qualified depository" as defined by the Utah Money Management Act. A "qualified depository" includes any depository institution that has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds that a qualified institution must maintain to be eligible to accept public funds. The bank balance of deposits in excess of federal depository insurance limits as of June 30, 2022, was $2,532,146.

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned. The State of Utah does not require collateral on deposits. The Library's policy for managing custodial credit risk is to deposit funds in financial institutions whose deposits are insured by the federal government. At times, the Library's deposit balance may exceed federally insured limits.

Investments

The Library's investments are managed by the Salt Lake City Treasurer's Office, and as a result the Library's policies are governed by the City and state statutes under which a variety of investments can be purchased. The Library's investments are in the PTIF, a pooled investment account that had a market value that approximated fair value at year end. The degree of risk associated with the investments held by the PTIF depends upon the underlying portfolio, and therefore, these amounts are not categorized according to risk. All securities comprising the PTIF comply with strict investment criteria required by the Utah Money Management Act. All practices of the fund are under the monthly scrutiny of the Utah Money Management Act. The Utah State Auditor audits the fund each year. The degree of risk of the fund depends upon the underlying portfolio, which primarily consists of money market securities including certificates of deposit and top-rated domestic commercial paper held by the Utah State Treasurer. The portfolio has a weighted average life of 90 days or less. The fund is not rated. The reported value of the pool is the same as the fair value of the pool shares.

Fair Value of Investments

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

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

At June 30, 2022, the Library had $18,244,950 in the PTIF. These investments were valued by applying the June 30, 2022, fair value factor, as calculated by the Utah State Treasurer, to the Library's June 30, 2022, balance in the PTIF. Such valuation is considered a *Level 2* valuation.

Investment Interest Rate Risk

The Library does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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 Library does not have a formal policy for managing concentration of credit risks but is in the practice of investing idle funds with the PTIF.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Library does not have a formal policy for managing investment credit risk but is in the practice of making all investments with the PTIF. The PTIF is not quality rated.

Note 4 - Capital Assets

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

Governmental Activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets Not Being Depreciated					
Land	$ 126,107	$ -	$ -	$ -	$ 126,107
Construction in-progress	65,087	78,960	-	(37,189)	106,858
Total Capital Assets Not Being Depreciated	191,194	78,960	-	(37,189)	232,965
Other Capital Assets					
Buildings and improvements	13,982,997	269,085	(32,701)	-	14,219,381
Improvements other than buildings	1,640,896	234,530	-	-	1,875,426
Furniture, fixtures and equipment	7,795,607	557,810	(344,099)	-	8,009,318
Circulating collections	8,736,065	1,063,622	(2,157,987)	-	7,641,700
Website development	14,000	-	-	-	14,000
Total Other Capital Assets at Historical Cost	32,169,565	2,125,047	(2,534,787)	-	31,759,825
Less Accumulated Depreciation					
Buildings and improvements	(7,357,113)	(553,964)	32,701	-	(7,878,376)
Improvements other than buildings	(424,375)	(124,690)	-	-	(549,065)
Furniture, fixtures and equipment	(5,127,459)	(491,108)	338,115	-	(5,280,452)
Circulating collections	(5,419,771)	(1,137,062)	2,157,986	-	(4,398,847)
Website development	(7,750)	(2,000)	-	-	(9,750)
Total Accumulated Depreciation	(18,336,468)	(2,308,824)	2,528,802	-	(18,116,490)
Other Capital Assets, Net	13,833,097	(183,777)	(5,985)	-	13,643,335
Governmental Activities Capital Assets, Net	$ 14,024,291	$ (104,817)	$ (5,985)	$ (37,189)	$ 13,876,300

Note 5 - Compensated Absences

Long-term compensated absences in governmental activities for the year ended June 30, 2022, were as follows:

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance	Amounts Due Within One Year
Compensated absences	$ 872,900	$ 1,008,757	$ (1,061,206)	$ 820,451	$ -

Note 6 - Fund Balance and Net Position

The non-spendable fund balance was $288,452 in the general fund at June 30, 2022. The non-spendable fund balance resulted from prepaid assets that are not in spendable form.

At June 30, 2022, restricted fund balances were $24,642 and $221,463 in the general fund and the capital projects fund, respectively. The restricted fund balance in the general fund resulted from donor-imposed purpose restrictions on grant and donation revenue. Funding is restricted for children's programming and improvements and other various Library functions. The restricted fund balance in the capital projects fund resulted from donor-imposed purpose restrictions on donation revenue. Funding is restricted for use at the Library's Foothill branch. Amounts restricted in the general fund and capital projects fund are included in restricted net position at June 30, 2022.

The committed fund balances were $4,154,831 and $1,029,429 in the capital projects fund and debt service fund, respectively, at June 30, 2022. The committed capital projects fund balance is to support the Library's Glendale and Marmalade branches and to provide resources for long-term facilities maintenance and technology replacement. The committed debt service fund balance is for future lease payments on the Glendale and Marmalade branches.

The assigned fund balance was $2,117,230 in the capital projects fund at June 30, 2022. The assigned fund balance will be used for budgeted capital projects.

The Library's net position is classified as follows: (1) Net investment in capital assets, which consists of total investment in capital assets net of accumulated depreciation and outstanding debt related to those assets. Accounts and retainage payables relating to capital assets totaled $54,518 and were netted with capital assets to arrive at net investment in capital assets; (2) Restricted, which is based on donor-imposed purpose restriction; (3) Unrestricted, which consists of all other amounts.

Note 7 - Pension Plans

General Information about the Pension Plan

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

Defined Benefit Plans

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

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

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

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

Summary of Benefits by System

Benefits Provided: URS provides retirement, disability, and death benefits.

Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percentage per Year of Service	COLA**
Noncontributory System	Highest 3 Years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 Years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.5% per year all years	Up to 2.5%

* Actuarial reductions are applied.

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

Contribution Rate Summary

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

	Employee	Employer	Employer Rate for 401(k) Plan
Contributory System			
111 Local Governmental Div - Tier 2	N/A	16.07%	0.62%
Noncontributory System			
15 Local Government Div - Tier 1	N/A	18.47%	N/A
Tier 2 DC Only			
211 Local Government	N/A	6.69%	10.00%

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

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

System	Employer Contributions	Employee Contributions
Noncontributory System	$ 777,898	N/A
Tier 2 Public Employees System	494,214	-
Tier 2 DC Only System	72,564	N/A
Total contributions	$ 1,344,676	$ -

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, Expenses, and Deferred Outflows and Inflows of Resources Relating to Pensions

At June 30, 2022, the Library reported a net pension asset of $3,152,057 and net pension liability of $0.

	(Measurement Date): December 31, 2021				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2020	Change Decrease
Noncontributory System	$ 3,090,489	$ -	0.5396247%	0.5399119%	-0.0002872%
Tier 2 Public Employees System	61,568	-	0.1454702%	0.1496735%	-0.0042033%
Total Net Pension Asset/Liability	$ 3,152,057	$ -			

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 the Systems during the plan year over the total of all employer contributions to the Systems during the plan year.

For the year ended June 30, 2022, the Library recognized pension expense of $(171,030).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 353,606	$ 7,933
Changes in assumptions	347,462	20,531
Net difference between projected and actual earnings on pension plan investments	-	4,313,056
Changes in proportion and differences between contributions and proportionate share of contributions	120,560	945
Contributions subsequent to the measurement date	706,538	-
	$ 1,528,166	$ 4,342,465

The Library reported $706,538 as deferred outflows of resources related to pensions resulting from contributions made by the Library prior to the Library's 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:

Years Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2022	$ (641,271)
2023	(1,206,967)
2024	(1,033,604)
2025	(706,560)
2026	12,052
Thereafter	55,512

Noncontributory System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2022, we recognized pension expense of ($384,918).

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	$ 323,695	$ -
Changes in assumptions	290,054	19,949
Net difference between projected and actual earnings on pension plan investments	-	4,160,928
Changes in proportion and differences between contributions and proportionate share of contributions	86,393	945
Contributions subsequent to the measurement date	402,258	-
	$ 1,102,400	$ 4,181,822

The Library reported $402,258 as deferred outflows of resources related to pensions resulting from contributions made by the Library prior to the Library's 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:

Years Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2022	$ (612,785)
2023	(1,170,421)
2024	(1,007,120)
2025	(691,353)
2026	-
Thereafter	-

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

For the year ended June 30, 2022, we recognized pension expense of $213,888.

At June 30, 2022, The Library 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	$ 29,911	$ 7,933
Changes in assumptions	57,408	582
Net difference between projected and actual earnings on pension plan investments	-	152,128
Changes in proportion and differences between contributions and proportionate share of contributions	34,168	-
Contributions subsequent to the measurement date	304,279	-
	$ 425,766	$ 160,643

The Library reported $304,279 as deferred outflows of resources related to pensions resulting from contributions made by the Library prior to the Library's 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:

Years Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2022	$ (28,486)
2023	(36,546)
2024	(26,484)
2025	(15,207)
2026	12,052
Thereafter	55,512

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 percent – 9.75 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

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

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

	Expected Return Arithmetic Basis		
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	37%	6.58%	2.43%
Debt securities	20%	(0.28%)	(0.06%)
Real assets	15%	5.77%	0.87%
Private equity	12%	9.85%	1.18%
Absolute return	16%	2.91%	0.47%
Cash and cash equivalents	0%	(1.01%)	0.00%
Totals	100%		4.89%
Inflation			2.50%
Expected arithmetic nominal return			7.39%

The 6.85 percent assumed investment rate of return is comprised of an inflation rate of 2.50 percent, a real return of 4.45 percent that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits 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 remained unchanged at 6.85 percent.

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

System	1% Decrease or 5.85%	Discount Rate of 6.85%	1% Increase or 7.85%
Noncontributory System	$ 1,661,849	$ (3,090,489)	$ (7,055,387)
Tier 2 Public Employees System	366,838	(61,568)	(390,496)
Total	$ 2,028,687	$ (3,152,057)	$ (7,445,883)

***Pension plan fiduciary net position: Detailed information about the fiduciary net position of the pension plans is available in the separately issued URS financial report.

Defined Contribution Savings Plans

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

Salt Lake City Public Library participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

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

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans were as follows for each of the years ended June 30:

	2022	2021	2020
401(k) Plan			
Employer contributions	$ 135,690	$ 141,022	$ 129,421
Employee contributions	229,156	278,077	188,483
457 Plan			
Employer contributions	-	-	-
Employee contributions	25,662	83,758	53,255
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	79,160	63,762	46,730
Traditional IRA			
Employer contributions	N/A	N/A	N/A
Employee contributions	2,600	2,600	1,200

Note 8 - Other Post-Employment Benefits

Plan Description

The Library provides post-employment health care benefits through a single employer defined benefit plan. The benefits are provided through the Library to certain employees who retired from the System prior to July 1, 2018. The benefits, benefit levels, employee and employer contributions are governed by Library policy and can be amended or terminated at any time. The Library determines whether these benefits will be funded during the annual budget process. The plan is not accounted for as a trust fund since an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Library's general fund.

Funding Policy

The Library currently pays for post-employment benefits on a "pay-as-you-go" basis.

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Measurement Date	June 30, 2022
Actuarial Valuation Date	June 30, 2022
Inflation	N/A
Salary Increases, including inflation:	N/A
Discount Rate	3.69%
Prior year discount rate	1.92%

The discount rate was based on the June 30, 2022, Fidelity General Obligation AA 20-Year Yield.

Mortality rates for retirees/disabled employees were based on the PubG.H-2010 Healthy Retiree Mortality Table, Generational with Projections Scale MP-2020 for males or females, as appropriate.

OPEB Plan – Number of Employees Covered

Inactive employees currently receiving benefit payments	17
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	-
Total	17

Changes in Total OPEB Liability

Balance at June 30, 2021	$ 242,815
Changes for the year	
Service cost	-
Interest	4,455
Differences between expected and actual experience	(6,241)
Change in assumptions/inputs	(24,306)
Change in benefit terms	-
Benefit payments	(21,600)
Administrative expense	-
Net changes	(47,692)
Balance at June 30, 2022	$ 195,123

Sensitivity of the Total OPEB Liability

	1% Decrease (2.69%)	No Change (3.69%)	1% Increase (4.69%)
Discount rate	$ 208,603	$ 195,123	$ 183,215
Healthcare cost trend rates	182,686	195,123	208,986

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

OPEB Expense	
Service cost	-
Interest on liabilities	4,455
Difference between actual and expected experience	(6,241)
Changes in assumptions/inputs	(24,306)
Change in benefit terms	-
Total OPEB expense	$ (26,092)

There are no deferred outflows or deferred inflows of resources at June 30, 2022.

Note 9 - Subsequent Events

The Library has evaluated subsequent events through November 22, 2022, the date the financial statements were available to be issued.

Required Supplementary Information
June 30, 2022

Salt Lake City Public Library

(A Component Unit of Salt Lake City Corporation)

Salt Lake City Public Library

(A Component Unit of Salt Lake City Corporation)

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget to Actual - General Fund

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Tax revenues	$ 22,206,135	$ 22,648,355	$ 23,309,752	$ 661,397
Intergovernmental revenues	1,257,000	1,312,680	1,193,869	(118,811)
Charges for lost items	20,000	20,000	20,090	90
Charges for services	56,500	56,500	159,091	102,591
Contributions	111,000	111,000	104,380	(6,620)
Miscellaneous	110,600	110,600	51,780	(58,820)
Appropriated fund balance	787,525	789,625	-	(789,625)
Total revenues	24,548,760	25,048,760	24,838,962	(209,798)
Expenditures				
Personnel	15,438,895	15,278,940	14,484,301	794,639
Collections and capital outlays	1,989,000	2,150,745	2,138,692	12,053
Buildings, grounds and equipment	1,873,295	1,835,705	1,720,577	115,128
Services	1,018,625	1,007,150	883,517	123,633
Materials and supplies	835,335	882,610	758,454	124,156
Other charges	419,910	419,910	389,855	30,055
Grants and donations	120,500	620,500	475,419	145,081
Total expenditures	21,695,560	22,195,560	20,850,815	1,344,745
Excess of Revenues over Expenditures	2,853,200	2,853,200	3,988,147	1,134,947
Other Financing Sources				
Transfers in/(out)	(2,853,200)	(2,853,200)	(2,720,444)	132,756
Fund Balance				
Beginning of year	8,087,250	8,087,250	8,087,250	-
End of year	$ 8,087,250	$ 8,087,250	$ 9,354,953	$ 1,267,703

Salt Lake City Public Library
(A Component Unit of Salt Lake City Corporation)
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	$ -	$ -	$ -	$ -	$ -
Interest	4,455	5,876	7,958	9,568	10,234
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(6,241)	(1,113)	(398)	(764)	1,985
Changes in assumptions or other inputs	(24,306)	9,647	1,857	8,215	-
Benefit payments	(21,600)	(22,900)	(24,750)	(29,250)	(31,950)
Net Change in Total OPEB Liability	(47,692)	(8,490)	(15,333)	(12,231)	(19,731)
Total OPEB Liability - Beginning	242,815	251,305	266,638	278,868	298,599
Total OPEB Liability - End	$ 195,123	$ 242,815	$ 251,305	$ 266,638	$ 278,868
Covered Employee Payroll	$ -	$ -	$ -	$ -	$ -
Total OPEB Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Changes of Benefit Terms: None

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2018	2018	3.62%
2019	2019	3.13%
2020	2020	2.45%
2021	2021	1.92%
2022	2022	3.69%

*In accordance with paragraph 170.a of GASB Statement No. 75, employers will need to disclose a 10-year schedule of changes in the total OPEB liability in their required supplementary information. However, until a full 10-year schedule is compiled, the Library will present information for those years for which information is available.

Salt Lake City Public Library
(A Component Unit of Salt Lake City Corporation)
Schedule of the Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2022

	As of Year Ended December 31, (Measurement Date)							
Noncontributory System	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability/(asset)	0.5396247%	0.5399119%	0.4938623%	0.4898576%	0.4738069%	0.4848643%	0.4694774%	0.4705181%
Proportionate share of the net pension liability/(asset)	$ (3,090,489)	$ 276,944	$ 1,861,302	$ 3,607,176	$ 2,075,890	$ 3,113,422	$ 2,656,531	$ 2,043,100
Covered payroll	$ 4,207,230	$ 4,204,750	$ 3,809,552	$ 3,888,324	$ 3,888,723	$ 4,083,808	$ 3,863,426	$ 3,903,172
Proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	(73.46%)	6.59%	48.86%	92.86%	53.38%	76.24%	68.76%	52.30%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	108.70%	99.20%	93.70%	87.00%	91.90%	87.30%	87.80%	90.20%

	As of Year Ended December 31, (Measurement Date)							
Tier 2 Public Employees System	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability/(asset)	0.1454702%	0.1496735%	0.1618096%	0.1547207%	0.1270542%	0.1178511%	0.1006147%	0.1104394%
Proportionate share of the net pension liability/(asset)	$ (61,568)	$ 21,527	$ 36,392	$ 66,264	$ 11,202	$ 13,146	$ (220)	$ (3,347)
Covered payroll	$ 2,700,146	$ 2,393,036	$ 2,248,541	$ 1,806,185	$ 1,242,225	$ 966,472	$ 650,064	$ 540,935
Proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	(2.28%)	0.90%	1.62%	3.67%	0.90%	1.36%	-0.03%	-0.60%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	103.80%	98.30%	96.50%	90.80%	97.40%	95.10%	100.20%	103.50%

*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. Until a full 10-year trend is compiled, the Library will present information for those years for which information is available.

	As of Fiscal Year Ended June 30,	Actuarial Determined Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll
Noncontributory System	2014	$ 682,902	$ 682,902	$ -	$ 3,982,852	17.15%
	2015	709,037	709,037	-	3,866,925	18.34%
	2016	713,705	713,705	-	3,902,460	18.29%
	2017	717,725	717,725	-	3,930,174	18.26%
	2018	740,280	740,280	-	4,055,962	18.25%
	2019	692,982	692,982	-	3,793,937	18.27%
	2020	719,276	719,276	-	3,928,665	18.31%
	2021	789,307	789,307	-	4,315,567	18.29%
	2022	777,898	777,898	-	4,257,074	18.27%
Tier 2 Public Employees System*	2014	$ 78,762	$ 78,762	$ -	$ 563,288	13.98%
	2015	83,010	83,010	-	563,355	14.73%
	2016	115,302	115,302	-	773,317	14.91%
	2017	161,156	161,156	-	1,080,856	14.91%
	2018	236,735	236,735	-	1,556,499	15.21%
	2019	312,841	312,841	-	2,012,256	15.55%
	2020	370,891	370,891	-	2,368,399	15.66%
	2021	396,470	396,470	-	2,509,303	15.80%
	2022	494,214	494,214	-	3,075,384	16.07%
Tier 2 Public Employees DC Only System*	2014	$ 5,967	$ 5,967	$ -	$ 107,134	5.57%
	2015	20,028	20,028	-	298,039	6.72%
	2016	19,545	19,545	-	292,152	6.69%
	2017	18,409	18,409	-	275,171	6.69%
	2018	25,386	25,386	-	379,466	6.69%
	2019	35,222	35,222	-	526,488	6.69%
	2020	58,295	58,295	-	871,372	6.69%
	2021	73,749	73,749	-	1,102,372	6.69%
	2022	72,564	72,564	-	1,084,659	6.69%

See Notes to Required Supplementary Information

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 of as 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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CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
Salt Lake City Public Library
Salt Lake City, UT

We have audited, 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, the financial statements of the governmental activities and each major fund of the Salt Lake City Public Library (the Library), a component unit of Salt Lake City Corporation, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated November 22, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Salt Lake City, Utah
November 22, 2022