

SPANISH FORK

PRIDE & PROGRESS

NOTICE TO SPANISH FORK CITY UTILITY CUSTOMERS

State law requires that the City provide an annual disclosure on funds transferred from a utility enterprise fund to any other fund. With the adoption of the FY23 budget on August 2, 2022, the City has completed the following transfers.

The City of Spanish Fork has budgeted for the transfer from each utility fund to the general fund as a dividend to Spanish Fork taxpayers. This dividend is the result of the rate payers' investment in the City's utility infrastructure. These funds are used each year to help cover costs of important city services like police, fire, library, senior center, parks and recreation, and other city functions. The utility transfer helps keep property taxes low in Spanish Fork. If City utility services were provided by private utility vendors, these dividends would instead be paid to the private investor-owners. Because Spanish Fork residents are the investor-owners, these dividends are used to offset what otherwise would be a significant increase in property tax rates. These transfers are of funds which cannot be defined as reasonable allocation of costs between funds. These amounts will not be repaid.

The amounts of the transfers are as follows:

	Dollar Amount	% of Expenditures
From the Water Fund to the General Fund	\$ 350,000	2.15 %
From the Sewer Fund to the General Fund	\$ 150,000	0.34 %
From the Electric Fund to the General Fund	\$ 1,225,000	3.21 %
From the Storm Drainage Fund to the General Fund	\$ 25,000	0.21 %
From the Solid Waste Fund to the General Fund	\$ 25,000	0.84 %
From the Broadband Fund to the General Fund	\$ 200,000	2.18 %

Spanish Fork City also has a debt obligation that the Electric Fund is making payments on. The funds are to pay for the Justice Center (Police/Court Building). These are for funds which cannot be defined as a reasonable allocation of costs between funds. These amounts will not be repaid.

The amount of these transfers are as follows:

	Dollar Amount	% of Expenditures
From the Electric Fund to the Debt Service Fund	\$ 679,503	1.78 %

A public hearing was held on Tuesday, June 7, 2022 and the budget was adopted on August 2, 2022. The fiscal year begins July 1, 2022 and ends June 30, 2023.

Thank you for your support and involvement as a utility customer of Spanish Fork.



Dividend Transfers to General Fund

FY2023

	Electric	Water	Sewer Collection	Storm Drain	Solid Waste	Airport	Broadband	Totals
Operating Revenue	\$ 27,264,818	\$ 6,758,556	\$ 6,930,013	\$ 2,934,877	\$ 3,186,234	\$ 0	\$ 9,852,000	
Percentage of Operating Revenue	4.5%	5.2%	2.2%	0.9%	0.8%		2.0%	
Transfer	\$ 1,225,000	\$ 350,000	\$ 150,000	\$ 25,000	\$ 25,000	\$ 0	\$ 200,000	\$ 1,975,000

Advertized	\$ 1,225,000	\$ 350,000	\$ 150,000	\$ 25,000	\$ 25,000	\$ 0	\$ 200,000	\$ 1,975,000
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LOCKED IN AMOUNTS

\$ 0

Enterprise Transfers to other Funds:

Enterprise Fund Accounting Data:	Electric	Water	Sewer Collection	Storm Drain	Solid Waste		Broadband	Totals
Admin/Overhead of Related operation costs (Indirect Services)	\$ 1,313,478	\$ 1,885,718	\$ 1,191,940	\$ 876,914	\$ 196,174	\$ 42,052	\$ 324,605	\$ 5,830,879

Other Non-Related Costs:

Dividend Amount From Enterprise Funds	\$ 1,225,000	\$ 350,000	\$ 150,000	\$ 25,000	\$ 25,000	\$ 0	\$ 200,000	\$ 1,975,000
Transfer from Electric to Debt Service	\$ 679,503							\$ 679,503
Transfer from Water to Golf Capital Projects Fund								\$ 0
Total Expenses	\$ 37,994,988	\$ 16,736,054	\$ 44,524,462	\$ 18,392,021	\$ 3,074,371		\$ 9,620,628	\$ 130,342,524
Total Transfer as a % of Total Fund Expenditure	5.01%	2.09%	0.34%	0.14%	0.81%		2.08%	2.04%