

MAYOR
ROGER BOURKE

TOWN COUNCIL
CAROLYN ANCTIL
JOHN BYRNE
ELISE MORGAN
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CERTIFICATION OF ANNUAL FINANCIAL REPORT

December 12, 2025

Under penalty of perjury, I Roger Bourke and I Jen Clancy, certify that the annual financial report for the year ending June 30, 2025 fairly presents in all material respects the financial condition and results of operation of the Town of Alta.

Signature

Mayor Roger Bourke

Chief Administrative Officer

Signature

Jen Clancy, Town Clerk

Chief Financial Officer

Notes:

- a. This certification is to be submitted with the annual financial report to the Utah State Auditor.
- b. Utah Code 11-50-202 designates the chief administrative officer as the individual appointed as the chief administrative officer of the political subdivision in accordance with statute; or if a chief administrative officer is not appointed in accordance with statute, the individual designated as the chief administrative officer by the governing body of the political subdivision. In designating a chief administrative officer, the governing body shall designate the individual who holds a managerial or similar position to perform administrative duties or functions for the political subdivision.
- c. Utah Code 11-50-202 designates the chief financial officer as the individual appointed as the chief financial officer of the political subdivision in accordance with statute; or if a chief financial officer is not appointed in accordance with statute, the individual designated as the chief financial officer by the governing body of the political subdivision. In designating a chief financial officer, the governing body shall designate the individual who has primary responsibility for preparing the annual financial report.

Town of Alta
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June 30, 2025



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GILBERT & STEWART
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

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SIDNEY S. GILBERT, CPA
JAMES E. STEWART, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of Town Council
Town of Alta, Utah

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Town of Alta, Utah (the Town), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Alta, as of June 30, 2025 and the respective changes in financial position and cash flows, where applicable, , thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Alta 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.

Change in Accounting Principle

As discussed in note 8 to the financial statements, in fiscal year 2025 the Town adopted new accounting guidance, GASB 101, *Compensated Absences*. Our opinions were not modified with respect to this matter.

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Alta'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 responsibility is to express opinions on these financial statements based on our audit. We conducted our objectives 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Town of Alta'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 Town of Alta'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 and budgetary comparison information, and the required supplementary information regarding pensions, as noted in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements.

The budgetary comparison, as listed as supplemental information in the table of contents is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, budgetary comparison is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2025, on our consideration of the Town'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 Town's internal control over financial reporting and compliance.

Gilbert & Stewart

GILBERT & STEWART, CPA, PC
Provo, Utah
November 19, 2025

As management of the Town of Alta, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2025.

History and Background of Government

The Town of Alta was incorporated in August of 1970 as a political subdivision of the State of Utah. It is a small mountain community where summer and winter recreation offer alpine beauty and some of the best powder skiing in the United States. The Town operates under a five-member Council form of government, one of whom is the Mayor. The Town's legislative body consists of the Mayor and four Council members holding staggered terms of four years each. The Mayor has certain duties and power that council members do not have which are established by law: Utah Code 10-3b-104.

The Town of Alta's total general fund expenditures were \$2,440,364. A majority of the operating revenue in the general fund is generated from sales tax, property tax and energy taxes. Other types of revenue include Class C Road Funds; State Liquor Funds; State Grants; business, liquor and animal licenses; and building permit fees, to name a few. The Town provides the following services within the community: administrative, planning and zoning, police services, recycling, parks and summer program, plan review and building inspection, judicial court, contract Post Office, reading room, and community center, road improvements and community and economic development. The Town also operates fully approved sewer and culinary water systems.

Financial Highlights

During the course of the fiscal year ending June 30, 2025, the Town of Alta's overall increase to its net position of \$1,082,182 (change in net position). The change in net position reported for the previous fiscal year (2024) was \$1,353,599.

The Town contracts for outside legal counsel to assist with matters related to planning and zoning, compliance with state land use regulations (LUDMA), review of records requests, and general counsel.

Overview of the Financial Statements

The Management's Discussion and Analysis is intended to serve as an introduction to the Town's basic financial statements.

In addition to the Management's Discussion and Analysis, the report consists of government-wide financial statements, fund financial statements, notes to the financial statements, required supplementary information, and supplementary information. The first several statements are highly condensed and present a government-wide view of the Town's finances.

Government-wide financial statements: These statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to private-sector business reporting.

The statement of net position, a component of the government-wide financial statements, presents information on all of the Town's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. The Town's capital assets (land, buildings and other improvements, machinery and equipment, and automobiles) are included in this statement and reported net of their accumulated depreciation. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. In evaluating the government's overall condition, however, additional non-financial factors should be considered such as the Town's economic outlook, changes in its demographics, and the condition of its capital assets and infrastructure.

The statement of activities presents revenue and expense information showing how the Town's net position changed during the fiscal year. To understand the basis of how these numbers are determined, it is important to note that changes in net position are reported whenever an event occurs that requires a revenue or expense to be recognized, regardless of when the related cash is received or disbursed (the accrual basis of accounting). For example, tax revenues are reported when the taxes are legally due, even though they may not be collected for some time after that date; and an obligation to pay a supplier is reported as an expense when the goods or services are received, even though the bill may not be paid until sometime later.

The government-wide financial statements distinguish functions of the Town that are principally supported by intergovernmental revenues and taxes (governmental activities) from other functions that are designed to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include the following: legislative, municipal building, economic development, judicial court, administration, non-departmental, planning and zoning, police department, post office, building inspection, streets, recycling, geographic information systems, parks, summer program, reading room, and community center, community development, and homeland security. Business-type activities include the water department and the sewer department.

The government-wide financial statements can be found on pages 10 and 11.

Fund financial statements: A fund is a grouping of related accounts (revenues, expenditures/expenses, assets and liabilities) that is used to control resources that have been segregated for specific activities. The Town of Alta, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds utilized by the Town 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, for accounting and reporting purposes, governmental fund numbers are determined with a different approach. At the fund level, the focus is on changes in short-term spendable resources and the balance available to spend, rather than the long-term focus used for determining government-wide numbers. Because the focus is so different between fund statements and government-wide statements, a reconciliation between the two types is necessary to understand how the numbers differ. Such reconciliations are provided on pages 13 and 15.

The General Fund is the primary operating governmental fund of the Town. To demonstrate legal compliance, a statement comparing budgeted numbers to actual numbers for the General Fund is included with the financial statements. The Town's other governmental fund is the Capital Projects Fund.

Proprietary Funds: The Town maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for the operation of the water and sewer operations.

Notes to Financial Statements: The notes to the financial statements provide additional information that is essential for a more complete understanding of the data provided in the financial statements. The notes are an integral part of the financial statements.

Other information: Required supplemental information and supplemental information can be found starting on page 41 of this report.

Government-wide Financial Analysis

The tables provided hereafter show net position, changes in net position, capital assets, and debt activity for the year ended June 30, 2025. Data for the year ended June 30, 2024 (the 2024 fiscal year) is also provided for comparative purposes. The Town's net position may serve over time, as a useful indicator of a local government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows by \$9,844,571 (net position) at June 30, 2025. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$8,815,700 at June 30, 2024. \$3,803,301, or 38.63% of The Town's net position at the 2025 fiscal year end (31.73% at the 2024 fiscal year end) reflects its net investment in capital assets (e.g. land, buildings, machinery, equipment, and related improvements), less any related debt and accumulated depreciation. The Town uses these capital assets to house the operations of the Town such as administration, public safety, community center/reading room and culinary water system departments. Other assets include water and sewer transmission lines and vehicles necessary for the daily operation of various departments; consequently, these assets are not available for future spending.

The following table summarizes the Town's net position as of June 30, 2025 and 2024:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 5,793,789	\$ 5,698,065	\$ 921,558	\$ 854,125	\$ 6,715,347	\$ 6,552,190
Capital assets, net	2,382,851	1,426,315	1,420,450	1,371,212	3,803,301	2,797,527
Total assets	8,176,640	7,124,380	2,342,008	2,225,337	10,518,648	9,349,717
Deferred outflows of resources	295,848	239,968	-	-	295,848	239,968
Current and other liabilities	210,658	116,834	65,673	78,123	276,331	194,957
Long-term liabilities	280,242	171,430	-	-	280,242	171,430
Total liabilities	490,900	288,264	65,673	78,123	556,573	366,387
Deferred inflows of resources	413,352	407,598	-	-	413,352	407,598
Net position:						
Net investment in capital assets	2,382,851	1,426,315	1,420,450	1,371,212	3,803,301	2,797,527
Restricted:						
Roads	23,916	22,768	-	-	23,916	22,768
Impact fees	25,818	24,691	-	-	25,818	24,691
Unrestricted	5,135,651	5,194,712	855,885	776,002	5,991,536	5,970,714
Total net position	<u>\$ 7,568,236</u>	<u>\$ 6,668,486</u>	<u>\$ 2,276,335</u>	<u>\$ 2,147,214</u>	<u>\$ 9,844,571</u>	<u>\$ 8,815,700</u>

At the end of the current year, the Town is able to report a positive total net position for each of the governmental and business type activities.

The Town's net position increased during 2025 by \$1,082,182 and increased in 2024 by \$1,353,599. The major reasons for this increase are as follows:

- Increases in general sales and use tax of \$94,524 over the previous year.
- Increases in property taxes of \$179,072 over the previous year.
- Increases in charges for services of \$184,860 related to increased building inspections, water, and sewer service charges.
- Increases in interest earnings of \$19,996 over the previous year as a result of sustained higher interest rates earned on the Town's investment with the Utah Public Treasurer's Investment Fund.

Town of Alta
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2025

Expenses of the Town also increased during the 2025 fiscal year, most notably:

- Administration expenses increased by \$95,837 as a result of increases in employee-related expenses.
- Police department and public safety expenses increased by \$49,837 over the previous fiscal year due to increases in wages, benefits, and other non-capital expenses.
- Planning and zoning expenses increased by \$50,935 as a result of additional professional and technical services used during the year.
- Library and community center costs increased by \$73,077 over the previous year due to additional costs to determine feasibility of the newly acquired community center building.
- Water and sewer expenses also increased by \$70,960 and \$28,756, respectively, as a result of normal increases in the cost of providing services, and increases in maintenance costs.

More detail on the actual expenditures in these departments is provided in the section titled "Budgetary Highlights".

The summary of the changes in net position for the 2025 and 2024 fiscal years are as follows:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 305,819	\$ 178,203	\$ 593,209	\$ 535,965	\$ 899,028	\$ 714,168
Operating grants and contributions	177,840	244,663	-	-	177,840	244,663
Capital grants and contributions	25,378	20,251	-	-	25,378	20,251
General revenues:						
Property taxes	433,125	432,187	-	-	433,125	432,187
General sales and use tax	2,375,541	2,281,017	-	-	2,375,541	2,281,017
Energy sales and use tax	92,576	106,681	-	-	92,576	106,681
Telephone use tax	5,043	5,593	-	-	5,043	5,593
Other	5,677	7,042	-	-	5,677	7,042
Unrestricted investment earnings	230,497	208,952	53,294	54,843	283,791	263,795
Gain on sale of assets	-	34,418	-	-	-	34,418
Total revenues	<u>3,651,496</u>	<u>3,519,007</u>	<u>646,503</u>	<u>590,808</u>	<u>4,297,999</u>	<u>4,109,815</u>
Expenses:						
Legislative	20,393	21,137	-	-	20,393	21,137
Municipal building	61,313	47,135	-	-	61,313	47,135
Judicial court	33,901	24,331	-	-	33,901	24,331
Administration	555,787	459,950	-	-	555,787	459,950
Non-departmental	26,443	26,856	-	-	26,443	26,856
Transportation	254,022	233,564	-	-	254,022	233,564
Planning and zoning	86,904	35,969	-	-	86,904	35,969
Police department	1,383,725	1,333,888	-	-	1,383,725	1,333,888
Post office	46,198	40,125	-	-	46,198	40,125
Building inspection	67,402	35,977	-	-	67,402	35,977
Streets	15,230	25,759	-	-	15,230	25,759
Recycling	24,632	23,973	-	-	24,632	23,973
Geographic information systems	199	199	-	-	199	199
Parks	38,488	18,966	-	-	38,488	18,966
Library and community center	83,078	10,001	-	-	83,078	10,001
Homeland security	720	720	-	-	720	720
Water	-	-	300,228	229,268	300,228	229,268
Sewer	-	-	217,154	188,398	217,154	188,398
Total expenses	<u>2,698,435</u>	<u>2,338,550</u>	<u>517,382</u>	<u>417,666</u>	<u>3,215,817</u>	<u>2,756,216</u>
Change in net position	953,061	1,180,457	129,121	173,142	1,082,182	1,353,599
Net position - beginning, restated	<u>6,615,175</u>	<u>5,488,029</u>	<u>2,147,214</u>	<u>1,974,072</u>	<u>8,762,389</u>	<u>7,462,101</u>
Net position - ending	<u>\$ 7,568,236</u>	<u>\$ 6,668,486</u>	<u>\$ 2,276,335</u>	<u>\$ 2,147,214</u>	<u>\$ 9,844,571</u>	<u>\$ 8,815,700</u>

Budgetary Highlights

During the fiscal year, the Town amended the general fund budget as a result of better-than-expected interest rates, and tax revenues. Overall, the budgeted revenues were increased by \$384,764. The Town also amended the budget to increase budgeted expenditures by \$102,260. The Town's budget includes approving a transfer to the Town's capital projects fund of \$988,000.

Capital Assets

The Town's investment in capital assets, net of accumulated depreciation, amounted to \$3,803,301 as of June 30, 2025 and \$2,797,527 as of June 30, 2024. The Town's capital assets includes land, buildings and related improvements, machinery and equipment, autos and trucks, and municipal utility distribution systems. The significant asset activity of the Town consisted of purchase of the Our Lady of the Snows Center building, water line improvements, police vehicle and equipment.

For the 2025 and 2024 fiscal years, capital asset activity is summarized as follows:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 899,000	\$ 899,000	\$ -	\$ -	\$ 899,000	\$ 899,000
Construction in process	-	-	134,591	25,269	134,591	25,269
Buildings and other improvements	1,947,266	967,266			1,947,266	967,266
Sewer system	-	-	848,218	848,218	848,218	848,218
Water system	-	-	2,521,553	2,496,284	2,521,553	2,496,284
Machinery and equipment	559,914	552,712	24,898	24,898	584,812	577,610
Autos and trucks	358,269	300,209	-	-	358,269	300,209
Total	3,764,449	2,719,187	3,529,260	3,394,669	7,293,709	6,113,856
Less accumulated depreciation	(1,381,598)	(1,292,872)	(2,108,810)	(2,023,457)	(3,490,408)	(3,316,329)
Total capital assets, net	<u>\$ 2,382,851</u>	<u>\$ 1,426,315</u>	<u>\$ 1,420,450</u>	<u>\$ 1,371,212</u>	<u>\$ 3,803,301</u>	<u>\$ 2,797,527</u>

Additional information in the Town's capital assets can be found in Note 3.

Long-Term Debt

At June 30, 2025 the Town had \$393,242 in long term debt for governmental activities and \$0 for business-type activities. The following table illustrates the debt activity over the year.

	Balance June 30, 2024	Incurred or Issued	Satisfied or Matured	Balance June 30, 2025
Governmental activities:				
Termination benefits	\$ 42,940	\$ 6,317	\$ -	\$ 49,257
Compensated absences	101,868	32,052	-	133,920
Net pension liability	120,932	89,133	-	210,065
Total governmental activities	265,740	127,502	-	393,242
Business-type activities:	-	-	-	-
Total obligations	<u>\$ 265,740</u>	<u>\$ 127,502</u>	<u>\$ -</u>	<u>\$ 393,242</u>

Additional information in the Town's long-term liabilities and net pension obligation can be found in Notes 4, and 6, respectively.

Next Year's Budget

The budget for the fiscal year ending June 30, 2026 was prepared using conservative expenditure/expense estimates while still being cautious regarding the unknowns related to the local economy. As a result, the Town budgeted for a decrease in overall revenues and increases in expenditures in the general fund, capital projects fund, and water fund. Increases were budgeted for in the water and sewer funds Budgeted capital projects include water meters, water infrastructure replacement projects, and other necessary equipment.

Requests for Information

This financial report is designed to provide a general overview of the Town of Alta's finances for all those with an interest. Questions regarding any of the information provided in this report or requests for additional information should be addressed to Jen Clancy, Town Clerk, P.O. Box 8016, Alta, Utah 84092-8016.

Government-wide Financial Statements

Town of Alta
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 4,800,062	\$ 1,155,033	\$ 5,955,095
Accounts receivable			
Service fees	-	63,495	63,495
Property tax	410,880	-	410,880
Due from other governments	203,697	-	203,697
Other	4,237	-	4,237
Prepaid expenses	28,209	-	28,209
Internal balances	296,970	(296,970)	-
Restricted cash and cash equivalents	49,734	-	49,734
Total current assets	5,793,789	921,558	6,715,347
Long-term assets			
Capital assets, net of accumulated depreciation	2,382,851	1,420,450	3,803,301
Total long-term assets	2,382,851	1,420,450	3,803,301
Total Assets	8,176,640	2,342,008	10,518,648
Deferred outflows of resources related to pensions	295,848	-	295,848
Total assets and deferred outflows of resources	\$ 8,472,488	\$ 2,342,008	\$ 10,814,496
Liabilities, Deferred Inflows of Resources, and Net Position			
Current Liabilities			
Accounts payable	\$ 39,918	\$ 65,673	\$ 105,591
Wages and payroll taxes payable	28,565	-	28,565
Accrued expenses	7,415	-	7,415
Deposits	21,760	-	21,760
Compensated absences, current portion	113,000	-	113,000
Total current liabilities	210,658	65,673	276,331
Long-term Liabilities			
Termination benefits	49,257	-	49,257
Compensated absences	20,920	-	20,920
Net pension liability	210,065	-	210,065
Total long-term liabilities	280,242	-	280,242
Total Liabilities	490,900	65,673	556,573
Deferred Inflows of Resources			
Unavailable revenue - property tax	406,341	-	406,341
Pensions	7,011	-	7,011
Total Deferred Inflows of Resources	413,352	-	413,352
Net Position			
Nonspendable - prepaid			
Net investment in capital assets	2,382,851	1,420,450	3,803,301
Restricted			
Roads	23,916	-	23,916
Impact fees	25,818	-	25,818
Unrestricted	5,135,651	855,885	5,991,536
Total net position	7,568,236	2,276,335	9,844,571
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 8,472,488	\$ 2,342,008	\$ 10,814,496

Town of Alta
Statement of Activities
Year Ended June 30, 2025

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Legislative	\$ 20,393	\$ -	\$ -	\$ -	\$ (20,393)	\$ -	\$ (20,393)
Municipal building	61,313	-	-	-	(61,313)	-	(61,313)
Judicial court	33,901	17,328	-	-	(16,573)	-	(16,573)
Administration	555,787	26,405	-	-	(529,382)	-	(529,382)
Non-departmental	26,443	-	-	-	(26,443)	-	(26,443)
Transportation	254,022	-	-	-	(254,022)	-	(254,022)
Planning and zoning	86,904	426	-	-	(86,478)	-	(86,478)
Police department	1,383,725	13,085	147,990	-	(1,222,650)	-	(1,222,650)
Post office	46,198	-	21,850	-	(24,348)	-	(24,348)
Building inspection	67,402	231,807	-	-	164,405	-	164,405
Streets	15,230	16,768	8,000	16,378	25,916	-	25,916
Recycling	24,632	-	-	-	(24,632)	-	(24,632)
Geographic information systems	199	-	-	-	(199)	-	(199)
Parks	38,488	-	-	9,000	(29,488)	-	(29,488)
Library and community center	83,078	-	-	-	(83,078)	-	(83,078)
Homeland security	720	-	-	-	(720)	-	(720)
Total governmental activities	<u>2,698,435</u>	<u>305,819</u>	<u>177,840</u>	<u>25,378</u>	<u>(2,189,398)</u>	<u>-</u>	<u>(2,189,398)</u>
Business-type activities							
Water	300,228	358,941	-	-	-	58,713	58,713
Sewer	217,154	234,268	-	-	-	17,114	17,114
Total business-type activities	<u>517,382</u>	<u>593,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,827</u>	<u>75,827</u>
Total primary government	<u>\$ 3,215,817</u>	<u>\$ 899,028</u>	<u>\$ 177,840</u>	<u>\$ 25,378</u>	<u>(2,189,398)</u>	<u>75,827</u>	<u>(2,113,571)</u>
General Revenues:							
Property taxes					433,125	-	433,125
General sales and use tax					2,375,541	-	2,375,541
Energy sales and use tax					92,576	-	92,576
Telephone use tax					5,043	-	5,043
Other					5,677	-	5,677
Investment earnings					230,497	53,294	283,791
Total general revenues					<u>3,142,459</u>	<u>53,294</u>	<u>3,195,753</u>
Change in net position					953,061	129,121	1,082,182
Net position - beginning, restated (See Note 8)					<u>6,615,175</u>	<u>2,147,214</u>	<u>8,762,389</u>
Net position - ending					<u>\$ 7,568,236</u>	<u>\$ 2,276,335</u>	<u>\$ 9,844,571</u>

See Notes to Financial Statements

Governmental Fund Financial Statements

Town of Alta
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Capital Projects Fund	Total
Assets			
Cash and cash equivalents	\$ 3,158,068	\$ 1,641,994	\$ 4,800,062
Accounts receivable			
Property tax	410,880	-	410,880
Due from other governments	203,697	-	203,697
Other	4,237	-	4,237
Prepaid expenses	28,209	-	28,209
Due from other funds	296,970	-	296,970
Restricted cash and cash equivalents	49,734	-	49,734
Total assets	<u>\$ 4,151,795</u>	<u>\$ 1,641,994</u>	<u>\$ 5,793,789</u>
Liabilities			
Accounts payable	\$ 33,795	\$ 6,123	\$ 39,918
Wages and payroll taxes payable	28,565	-	28,565
Accrued expenses	7,415	-	7,415
Deposits	21,760	-	21,760
Total liabilities	<u>91,535</u>	<u>6,123</u>	<u>97,658</u>
Deferred Inflows of Resources			
Unavailable revenue - property tax	406,341	-	406,341
Total Deferred Inflows of Resources	<u>406,341</u>	<u>-</u>	<u>406,341</u>
Fund Balances			
Nonspendable - prepaid	28,209	-	28,209
Restricted:			
Roads	23,916	-	23,916
Impact fees	25,818	-	25,818
Committed to termination benefits	70,452	-	70,452
Assigned to capital projects	-	1,635,871	1,635,871
Unassigned	3,505,524	-	3,505,524
Total fund balances	<u>3,653,919</u>	<u>1,635,871</u>	<u>5,289,790</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,151,795</u>	<u>\$ 1,641,994</u>	<u>\$ 5,793,789</u>

Town of Alta
Reconciliation of the Governmental Fund Balance Sheet
To the Statement of Net Position
June 30, 2025

Total fund balances - Governmental Funds	\$ 5,289,790
Amounts reported for governmental activities in the statement of net position is difference because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	2,382,851
Deferred outflows of resources related to pension are not applicable to the current period and therefore, are not reported in the governmental funds.	295,848
Long-term liabilities, including capital leases, termination benefits, compensated absences, and the net pension liability are not payable in the current period and therefore, are not reported in the governmental funds.	
Termination benefits	(49,257)
Compensated absences	(133,920)
Net pension liability	(210,065)
Deferred inflows of resources related to pensions are not applicable to the current period and therefore, are not reported in the governmental funds.	(7,011)
Total Net Position - Governmental Activities	<u>\$ 7,568,236</u>

Town of Alta
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2025

	General Fund	Capital Projects Fund	Total
Revenues			
Taxes	\$ 2,906,285	\$ -	\$ 2,906,285
Licenses and permits	187,073	-	187,073
Intergovernmental	73,166	-	73,166
Charges for services	101,418	-	101,418
Fines and forfeitures	17,328	-	17,328
Contributions	130,052	-	130,052
Interest income	155,606	74,891	230,497
Miscellaneous	5,677	-	5,677
Total revenues	3,576,605	74,891	3,651,496
Expenditures			
Current:			
Legislative	20,393	-	20,393
Municipal building	37,807	8,270	46,077
Judicial court	33,901	-	33,901
Administration	571,581	-	571,581
Non-departmental	26,251	-	26,251
Transportation	254,022	-	254,022
Planning and zoning	86,904	-	86,904
Police department	1,210,895	14,884	1,225,779
Post office	44,727	-	44,727
Building inspection	67,402	-	67,402
Streets	15,230	-	15,230
Recycling	24,632	-	24,632
Parks	33,841	-	33,841
Library and community center	5,576	76,396	81,972
Capital outlay:			
Police department	7,202	58,060	65,262
Library and community center	-	980,000	980,000
Total expenditures	2,440,364	1,137,610	3,577,974
Revenues over (under) expenditures	1,136,241	(1,062,719)	73,522
Other Financing Sources (Uses)			
Transfers in	-	988,000	988,000
Transfers out	(988,000)	-	(988,000)
Total other financing sources	(988,000)	988,000	-
Net Change in Fund Balance	148,241	(74,719)	73,522
Fund balance - Beginning of Year	3,505,678	1,710,590	5,216,268
Fund Balance - End of Year	\$ 3,653,919	\$ 1,635,871	\$ 5,289,790

Town of Alta
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of the Governmental Funds to the Statement of Activities
Year Ended June 30, 2025

Net Change in Fund Balances - Governmental Funds	\$ 73,522
Amounts reported for governmental activities in the statement of activities are different because:	
The 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. In the current year, these amounts were as follows:	
Acquisition of capital assets	1,045,262
Depreciation expense	(88,726)
The governmental funds report activity related to long-term liabilities as revenues and expenditures when incurred, however, the Statement of Activities is presented on the accrual basis and expenses and liabilities are reported when incurred. These adjustments reflect the changes from entering into a new lease, making payments on those leases, and changes in the termination benefit and compensated absence balances:	
Change in termination benefits	(6,317)
Change in compensated absences	(32,052)
Pension expense is not reported at the governmental fund level but is reported in the statement of activities.	(38,628)
Change in Net Position of Governmental Activities	<u>\$ 953,061</u>

Proprietary Fund Financial Statements

Town of Alta
Statement of Net Position
Proprietary Funds
June 30, 2025

	Sewer Enterprise Fund	Water Enterprise Fund	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 710,664	\$ 444,369	\$ 1,155,033
Accounts receivable	25,264	38,231	63,495
Total current assets	735,928	482,600	1,218,528
Long-term assets			
Capital assets			
Construction in process	-	134,591	134,591
Sewer system	848,218	-	848,218
Water system	-	2,521,553	2,521,553
Other machinery and equipment	-	24,898	24,898
Accumulated depreciation	(709,320)	(1,399,490)	(2,108,810)
Total long-term assets	138,898	1,281,552	1,420,450
Total Assets	874,826	1,764,152	2,638,978
Liabilities			
Current Liabilities			
Accounts payable	40,525	25,148	65,673
Due to other funds	-	296,970	296,970
Total liabilities	40,525	322,118	362,643
Net Position			
Net investment in capital assets	138,898	1,281,552	1,420,450
Unrestricted	695,403	160,482	855,885
Total net position	\$ 834,301	\$ 1,442,034	\$ 2,276,335

Town of Alta
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
June 30, 2025

	Sewer Enterprise Fund	Water Enterprise Fund	Total
Operating Revenues			
Service fees	\$ 234,268	\$ 358,941	\$ 593,209
Total operating revenues	234,268	358,941	593,209
Operating Expenses			
Sewage disposal	164,292	-	164,292
Water costs	-	10,148	10,148
Depreciation	9,969	75,384	85,353
Personnel services	18,234	20,358	38,592
Materials, supplies and services	24,659	194,338	218,997
Total operating expenses	217,154	300,228	517,382
Operating Income	17,114	58,713	75,827
Non-Operating Revenue			
Interest income	31,031	22,263	53,294
Net non-operating revenue	31,031	22,263	53,294
Change in Net Position	48,145	80,976	129,121
Net Position, Beginning of Year	786,156	1,361,058	2,147,214
Net Position, End of Year	<u>\$ 834,301</u>	<u>\$ 1,442,034</u>	<u>\$ 2,276,335</u>

Town of Alta
Statement of Cash Flow
Proprietary Funds
Year Ended June 30, 2025

	Sewer Enterprise Fund	Water Enterprise Fund	Total
Operating Activities			
Receipts from customers	\$ 255,758	\$ 399,895	\$ 655,653
Payments to suppliers	(182,027)	(223,860)	(405,887)
Payments to employees	(18,234)	(20,358)	(38,592)
Net Cash from Operating Activities	<u>55,497</u>	<u>155,677</u>	<u>211,174</u>
Non-Capital Financing Activities			
Payments on internal balances	-	(61,400)	(61,400)
Net Cash used for Non-Capital Financing Activities	<u>-</u>	<u>(61,400)</u>	<u>(61,400)</u>
Capital Financing Activities			
Purchase of capital assets	-	(134,591)	(134,591)
Net Cash used for Capital Financing Activities	<u>-</u>	<u>(134,591)</u>	<u>(134,591)</u>
Investment Activities			
Interest earned on cash and cash equivalents	<u>31,031</u>	<u>22,263</u>	<u>53,294</u>
Net Change in Cash and Cash Equivalents	86,528	(18,051)	68,477
Cash and Cash Equivalents, Beginning of Year	<u>624,136</u>	<u>462,420</u>	<u>1,086,556</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 710,664</u></u>	<u><u>\$ 444,369</u></u>	<u><u>\$ 1,155,033</u></u>
Reconciliation of Operating Income (loss) to Net Cash from (used by) Operating Activities			
Operating Income	\$ 17,114	\$ 58,713	\$ 75,827
Adjustments to reconcile operating gain to net cash from operating activities:			
Depreciation	9,969	75,384	85,353
Changes in assets and liabilities:			
Accounts receivable	21,490	40,954	62,444
Accounts payable	<u>6,924</u>	<u>(19,374)</u>	<u>(12,450)</u>
Net Cash from (used by) Operating Activities	<u><u>\$ 55,497</u></u>	<u><u>\$ 155,677</u></u>	<u><u>\$ 211,174</u></u>

Notes to the Financial Statements

NOTE 1: Organization and Summary of Significant Accounting Policies

The Town of Alta, Utah (the Town) was incorporated in August 1970 under the provisions of the State of Utah. The Town operates under a 5-member council, one of whom is the mayor, and provides the following services as authorized by its charter: public safety, water, sewer, culture-recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the Town 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 accounting policies:

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. There are no entities that are considered to be component units of the Town that should be included in these financial statements.

B. Basis of Accounting

Basis of Presentation

Government-wide Financial Statements

The government-wide statements, i.e. the statement of net position and the statement of activities, report information on all of the activities of the Town. The Town does not have any fiduciary activities. Generally, the effect of the interfund activity has been eliminated from these statements. Interfund receivables and payables have been eliminated from the government-wide statement of net position except for those amounts due between governmental and business-type activities. Such amounts are reported at the net amount as “internal balances” and offset each other to result in a zero balance in the total column. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed, in whole or in part, by fees charged to external parties for goods or services.

The government-wide statement of net position presents information on all of the Town’s assets, deferred outflows and inflows of resources, and liabilities, and the difference between the two is reported as net position. 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 can be clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or others who purchase, use, or directly benefit from the services or goods 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.

Indirect costs in the governmental activities that are not associated directly with a function or program in the Town are included in the general governmental activities in the entity-wide statements.

NOTE 1: Organization and Summary of Significant Accounting Policies (Continued)

Fund Financial Statements

A fund is a separate accounting entity with a self-balancing set of accounts which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Town's funds are organized into two major categories: governmental and proprietary. Separate financial statements are provided for each of these categories. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. A fund is considered major if it is the primary operating (general) fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

As per the above criteria, the Town's General, Capital Projects, Water, and Sewer funds are major funds. For the year ended June 30, 2025, the Town's Capital Projects fund became a "major" fund, as a result, the Town does not currently report any nonmajor funds.

The Town's financial operations are accounted for in the following funds:

Governmental Fund Types

General Fund – The general fund is the primary fund of the Town. This fund is established to account for resources devoted to financing the general services that the Town performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the Town are included in this fund. This fund is charged with all costs of operating the government for which a separate fund has not been established.

Capital Projects Fund – The Town reports a Capital Projects fund. The fund is established to account for resources devoted to major capital projects other than those financed by the proprietary funds.

Proprietary Fund Types

Enterprise Funds – These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Town's enterprise funds consist of the Water and Sewer Funds.

NOTE 1: Organization and Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Measurement focus refers to the types of balances that appear on the statement of net position and changes to those balances that appear on the statement of activities. The current financial resources measurement focus reports only current resources and current liabilities on the statement of net position. The statement of changes in net position presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in these resources. The economic resources measurement focus shows total assets, deferred outflows and inflows, and liabilities on the statement of net position and changes in net position on the statement of activities. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The government-wide financial statements and the fund financial statements for proprietary and fiduciary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred or the economic asset is used. Revenues, expenses, gains, losses, and resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Proprietary funds separate operating and non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing or delivering goods in connection with the fund's normal ongoing operations. The principal operating revenues of the Town's proprietary funds are charges to customers for goods and services. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All other revenues or expenses are recorded as non-operating.

These funds account for Town activities that are similar to business operations in the private sector or where the reporting focus is on determining net income, financial position, and changes in financial position (Economic resources measurement focus). The funds included in this category are Enterprise Funds.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available when they are collectible within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred. Expenditures related to principal and interest on general long-term debt that has not matured, compensated absences, and claims and judgments are recorded only when payment is due.

NOTE 1: Organization and Summary of Significant Accounting Policies (Continued)

D. Reconciliation of Government-wide and Fund Financial Statements

Governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting, while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. As a result, there are important differences between the assets, liabilities, revenues and expenses/expenditures reported on the fund financial statements and government-wide financial statements. For example, many long-term assets and liabilities are excluded from the fund balance sheet but are included in the entity-wide financial statements. As a result there must be a reconciliation between the two statements to explain the differences. A reconciliation is included as part of the fund financial statements.

E. Use of Estimates

The preparation of the 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 at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

F. Cash and Investments (Cash Equivalents)

The Town's investments in the State Treasurer's Investment Pool (an external investment pool) are recorded at fair value in accordance with GASB Statement No. 72, Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. See Note 2 for further discussion regarding the Town's policies regarding cash deposits and investments.

Cash and cash equivalents consists of cash and short-term investments with an original maturity of three months or less. Cash, depending on source of receipts, is pooled, except when legal requirements dictate the use of separate accounts.

G. Fund Balances – General Fund

General fund balances are reported in the following categories: nonspendable, restricted, committed, assigned, or unassigned. Nonspendable balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balances include amounts that can only be spent for specific purposes as stipulated by law or by awarding agencies. Committed fund balances include amounts that can be used only for specific purposes as determined by a Town Council resolution or by Town ordinance. Unexpended committed fund balances may only be rescinded from the committed balance via a Town Council resolution. Assigned fund balances are those that are intended to be used for a specific purpose but do not meet the criteria to be classified as restricted or committed. To meet the criteria to be assigned, the use of a balance would need to be authorized by the Town Council. Unassigned fund balance is the residual classification for the Town's general fund and includes all spendable amounts not contained in the other classifications.

When an expenditure is incurred for purposes for which restricted, committed, assigned, or unassigned fund balances are available, it is the policy of the Town to first spend restricted fund balance, followed by committed, assigned and unassigned fund balances, respectively.

NOTE 1: Organization and Summary of Significant Accounting Policies (Continued)

H. Capital Assets

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

In the government-wide financial statements and in the fund financial statements for proprietary funds, capital assets are treated as capital assets. Capital assets include property, plant, equipment and infrastructure assets, e.g. roads, bridges, curbs, and gutters, streets and sidewalks, drainage systems and lighting systems. The Town defines capital assets as assets with an initial, individual cost of more than \$5,000. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation is computed using the straight-line method based on useful lives as follows:

Item	Years
Building and other improvements	7-30 years
Machinery and equipment	5-25 years
Autos and trucks	5-15 years
Sewer system	10-50 years
Water system	10-50 years

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) including 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.

J. Deferred Outflows of Resources and Deferred Inflows 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. As further described in Note 6, the Town has pension balances that qualify for reporting in this category.

J. Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

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. The Town has items which qualify for reporting in this category. The general fund reports unavailable revenue from property taxes. The government-wide statement of financial position reports unavailable revenue from property taxes and pension balances (see Note 6). These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

K. Property Taxes – Deferred Inflow of Resources and Property Tax Revenue

Property taxes are collected by the Salt Lake County (the “County”) treasurer and remitted to the Town shortly after collection. The County is required to levy the proposed tax by June 15. The County treasurer mails the property tax notice at least 10 days before August 1, and the taxes are due by November 30. If after five years (May of the fifth year) delinquent taxes have not been paid, the County advertises and sells the property.

Property taxes that are receivable at the end of the fiscal year but that are not available or collected within 60 days of the end of the fiscal year do not meet the criteria for revenue recognition and are presented as a deferred inflow of resources on the financial statements. The related property tax revenue is recognized once the resources become available.

L. Sales and Related Taxes – Revenue

Sales and related taxes constitute the majority of revenues received by the Town. In turn, sales and related taxes generated by the local businesses are dependent on the winter snow levels.

M. Interfund Receivables and Payables

Interfund receivables and payables represent transactions incurred within the fund for other funds. These transactions are in the form of receipts of revenue, payments of expenses, and operating transfers to and from other funds. These accounts are expected to be eliminated in the normal course of operations. As a general rule, the effect of the interfund activity has been eliminated from the government-wide financial statements.

N. Budgetary Basis

Budgets are prepared by the Town on the modified accrual basis of accounting, the same basis which is used for financial reporting. The budget presented was first adopted by the Town in June 2024. The Council held a public meeting to officially amend the budget in June 2025. Appropriations may not legally be made in excess of budgeted amounts by department.

O. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town is insured against these occurrences through commercial insurance. The Town pays an annual premium for its insurance coverage which is accounted for in the General Fund.

NOTE 2: Cash Deposits and Investments (Cash Equivalents)

Cash Deposits – At year end, the Town’s cash balances on deposit were \$12,326. None of the Town’s cash deposits exceeded the federal depository insurance limit. No deposits are collateralized. The carrying value of the Town’s cash deposits were (\$99,309). The deficit is due to checks written above the cash balance prior to transfers into the deposit account.

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 to it. The Town’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 Town’s deposit balance may exceed federally insured limits. The State of Utah does not require collateral on deposits.

Investments – The Town’s deposits and investment policy follows the requirements of the Utah Money Management Act (the Act) (Utah Code Annotated 1953, Chapter 7) in handling its depository and temporary investing transactions. This law requires the depositing of Town 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 Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Money Management Act defines the types of securities authorized as appropriate investments for the Town’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. The Act authorizes the Town to invest in the following types of instruments:

1. Negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories,
2. Repurchase and reverse repurchase agreements,
3. Commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations,
4. Bankers’ acceptances that are eligible for discount at a federal reserve bank and which have a remaining term of 180 days or less,
5. Obligations of the United States Treasury, including bills, notes and bonds,
6. 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),
7. Bonds, notes, and other evidence of indebtedness of political subdivisions of the State,
8. 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,
9. Shares or certificates in a money market mutual fund as defined in the Money Management Act, and
10. Utah State Public Treasurers’ Investment Fund.

NOTE 2: Cash Deposits and Investments (Cash Equivalents) (Continued)

The Town has invested the majority of its temporarily idle funds with the Utah Public Treasurer's Investment Fund (PTIF). The Utah State Treasurer's Office operates the 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. Parties interested in learning what specific investments comprise the State Treasurer's Fund may contact the Utah State Treasurer's Office.

The PTIF operates and reports to participants on an amortized cost basis, then reports at fair value as of December 31 and June 30. 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 Town 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, 2025, the Town had \$6,104,138 in the Utah State Public Treasurers' Investment Fund. The fair value of these investments were \$6,116,257 and valued by applying the June 30, 2025, fair value factor, as determined by the Utah State Treasurer, to the Town's average daily balance in the Fund. Such valuation is considered a Level 2 valuation for GASB 72 purposes.

	June 30 2025	Fair Value Measurements		
		Level 1	Level 2	Level 3
Public Treasurer's Investment Fund	\$ 6,116,257	\$ -	\$ 6,116,257	\$ -
Total investments by fair value	\$ 6,116,257	\$ -	\$ 6,116,257	\$ -

NOTE 2: Cash Deposits and Investments (Cash Equivalents) (Continued)

Summary – The above described cash deposits and investments are summarized and presented in the financial statements at fair value in accordance with the following analysis:

Cash and Cash Equivalents

Cash	\$ (99,309)
Utah Public Treasurer's Investment Fund	<u>6,104,138</u>
Cash and cash equivalents (fair value)	<u><u>\$ 6,004,829</u></u>

As Reported on the Statement of Net Position:

Cash and cash equivalents	\$ 5,955,095
Restricted cash and cash equivalents	<u>49,734</u>
Total cash and cash equivalents	<u><u>\$ 6,004,829</u></u>

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to increasing interest rates. 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. The Town's investments in the PTIF can be withdrawn at any time.

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 Town's 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 Town 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 3: Capital Assets

The following two tables summarize the changes in capital assets for governmental and business-type activities during the year ended June 30, 2025:

	Balance June 30, 2024	Additions	Transfers or Deletions	Balance June 30, 2025
Governmental activities				
Capital assets not being depreciated				
Land acquisition costs	\$ 899,000	\$ -	\$ -	\$ 899,000
Total capital assets not being depreciated	899,000	-	-	899,000
Capital assets being depreciated				
Buildings and other improvements	967,266	980,000	-	1,947,266
Machinery and equipment	552,712	7,202	-	559,914
Autos and trucks	300,209	58,060	-	358,269
Total capital assets being depreciated	1,820,187	1,045,262	-	2,865,449
Accumulated depreciation				
Buildings and other improvements	(778,455)	(17,022)	-	(795,477)
Machinery and equipment	(327,548)	(31,486)	-	(359,034)
Autos and trucks	(186,869)	(40,218)	-	(227,087)
Total accumulated depreciation	(1,292,872)	(88,726)	-	(1,381,598)
Total capital assets being depreciated, net	527,315	956,536	-	1,483,851
Governmental activities capital assets, net	\$ 1,426,315	\$ 956,536	\$ -	\$ 2,382,851
Business-type activities				
Capital assets not depreciated				
Construction in process	\$ 25,269	\$ 134,591	\$ (25,269)	\$ 134,591
Total capital assets not depreciated	25,269	134,591	(25,269)	134,591
Capital assets being depreciated				
Sewer system	848,218	-	-	848,218
Water system	2,496,284	25,269	-	2,521,553
Other machinery and equipment	24,898	-	-	24,898
Total capital assets being depreciated	3,369,400	25,269	-	3,394,669
Accumulated depreciation				
Sewer system	(699,351)	(9,969)	-	(709,320)
Water system	(1,308,237)	(74,793)	-	(1,383,030)
Other machinery and equipment	(15,869)	(591)	-	(16,460)
Total accumulated depreciation	(2,023,457)	(85,353)	-	(2,108,810)
Total capital assets being depreciated, net	1,345,943	(60,084)	-	1,285,859
Business-type activities capital assets, net	\$ 1,371,212	\$ 74,507	\$ (25,269)	\$ 1,420,450

NOTE 3: Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the Town as follows:

	Depreciation Expense
Governmental activities:	
Municipal building	\$ 15,236
Administration	2,813
Non-departmental	192
Police department	62,342
Post office	1,471
Geographic information systems	199
Parks	4,647
Library and community center	1,106
Homeland security	720
Total depreciation expense - governmental activities	<u>\$ 88,726</u>
Business-type activities:	
Sewer	9,969
Water	75,384
Total depreciation expense - business-type activities	<u>\$ 85,353</u>

NOTE 4: Obligations Payable

A summary of obligations payable and the current year's activity follows:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Due Within One Year
Governmental activities					
Termination benefits	\$ 42,940	\$ 6,317	\$ -	\$ 49,257	\$ -
Compensated absences	101,868	32,052 *	-	133,920	113,000
Net pension liability	120,932	89,133	-	210,065	-
Total governmental activities	<u>265,740</u>	<u>127,502</u>	<u>-</u>	<u>393,242</u>	<u>113,000</u>
Business-type activities	-	-	-	-	-
Total long-term liabilities	<u>\$ 265,740</u>	<u>\$ 127,502</u>	<u>\$ -</u>	<u>\$ 393,242</u>	<u>\$ 113,000</u>

* Represents a net increase in compensated absences.

Compensated Absences — The Town accrues a liability for unused vacation and sick time that is estimated to be paid out to employees. Employees earn paid vacation time of 80-288 hours per year, depending on length of employment.

Net Pension Liability — See note 6 for information relating to the net pension liability obligation.

NOTE 4: Obligations Payable (Continued)

Termination Benefits — Termination benefits are available for certain appointed officials who leave employment voluntarily and are in good standing at the time of departure. Currently only one employee is eligible as the other eligible official retired during the fiscal year. The employee will receive a sum equivalent to wages and the cash value of benefits as follows: for each year of employment, one week of current salary and cash value of benefits, up to a maximum of ten weeks for ten years of employment. The Town records these voluntary termination benefits at the undiscounted total of estimated future benefit payments using current cost levels. For involuntary termination, the benefits may accumulate up to a maximum of twenty-six weeks. These involuntary termination amounts have not been accrued in the fund financial statements and have not been budgeted because the expected amount of the benefits is not estimable. They have been accrued in the government-wide statement.

NOTE 5: Contingencies

The Town is at times involved in lawsuits and legal matters arising in the ordinary course of business. The matters are handled by insurance and by the Town's legal counsel. Liability, if any, on the part of the Town cannot be estimated.

NOTE 6: Employee Retirement Systems and Pension Plans

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, retirement system.
- Public Safety Retirement System (Public Safety System) is a mixed agent and 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 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.

URS 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 visiting the website: www.urs.org/general/publications.

NOTE 6: Employee Retirement Systems and Pension Plans (Continued)

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%
Public Safety System	Highest 3 Years	20 years, any age 10 years, age 60 4 years, age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
Tier 2 Public Employees System	Highest 5 Years	35 years, any age 20 years, age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 Years	25 years, any age 20 years, age 60* 10 years age 62* 4 years age 65	1.5% per year to June 30, 2020 2.0% per year July 1, 2020 to present	Up to 2.5%

* Actuarial reductions are applied.

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

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the 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, 2025 are as follows:

	Employee	Employer	Employer 401(k)
Contributory System			
111 Local Government Div - Tier 2	0.70%	15.19%	0.00%
122 Local Government Div - Tier 2	4.73%	26.49%	0.00%
Noncontributory System			
15 Local Government Div - Tier 1	0.00%	16.97%	0.00%
75 Public Safety System - Tier 1	0.00%	35.21%	0.00%
Tier 2 DC Only			
211 Local Government	0.00%	5.19%	10.00%
222 Public Safety System - Tier 2	0.00%	12.49%	14.00%

NOTE 6: Employee Retirement Systems and Pension Plans (Continued)

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

Contribution Summary

For fiscal year ended June 30, 2025, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 55,980	\$ -
Public Safety System	34,635	-
Tier 2 Public Employees System	55,116	2,540
Tier 2 Public Safety and Firefighter	7,576	1,353
Tier 2 DC Only System	7,032	-
Total Contributions	<u>\$ 160,339</u>	<u>\$ 3,893</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 Inflows of Resources Relating to Pensions

At June 30, 2025, we reported a net pension liability of \$210,065 and a net pension asset of \$0.

	<u>(Measurement Date): December 31, 2024</u>				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2023	Change (Decrease)
Noncontributory System	\$ -	\$ 176,979	0.0558098%	0.0433147%	0.0124951%
Tier 2 Public Employees System	-	33,086	0.0110937%	0.0105120%	0.0005817%
Total	<u>\$ -</u>	<u>\$ 210,065</u>			

The net pension asset and liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2025, we recognized a pension expense of \$192,938.

At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

NOTE 6: Employee Retirement Systems and Pension Plans (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 119,757	\$ 228
Changes in assumptions	25,690	3
Net difference between projected and actual earnings on pension plan investments	55,424	-
Changes in proportion and differences between contributions and proportionate share of contributions	4,750	6,780
Contributions subsequent to the measurement date	90,227	-
	<u>\$ 295,848</u>	<u>\$ 7,011</u>

\$90,227 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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,	Net Deferred Outflows (Inflows) of Resources
2025	\$ 100,601
2026	101,417
2027	(19,147)
2028	(860)
2029	7,389
Thereafter	9,210

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, we recognized pension expense of \$156,875.

At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

NOTE 6: Employee Retirement Systems and Pension Plans (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 105,454	\$ -
Changes in assumptions	14,639	-
Net difference between projected and actual earnings on pension plan investments	53,308	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	6,531
Contributions subsequent to the measurement date	18,182	-
	<u>\$ 191,583</u>	<u>\$ 6,531</u>

\$18,182 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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,	Net Deferred Outflows (Inflows) of Resources
2025	\$ 96,857
2026	95,594
2027	(21,631)
2028	(3,950)
2029	-
Thereafter	-

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, we recognized pension expense of \$0.

At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

NOTE 6: Employee Retirement Systems and Pension Plans (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	34,635	-
	<u>\$ 34,635</u>	<u>\$ -</u>

\$34,635 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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,	Net Deferred Outflows (Inflows) of Resources
2025	\$ -
2026	-
2027	-
2028	-
2029	-
Thereafter	-

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

For the year ended June 30, 2025, we recognized pension expense of \$36,064.

At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

NOTE 6: Employee Retirement Systems and Pension Plans (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 14,303	\$ 228
Changes in assumptions	11,051	3
Net difference between projected and actual earnings on pension plan investments	2,116	-
Changes in proportion and differences between contributions and proportionate share of contributions	4,750	249
Contributions subsequent to the measurement date	29,834	-
	<u>\$ 62,054</u>	<u>\$ 480</u>

\$29,834 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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,	Net Deferred Outflows (Inflows) of Resources
2025	\$ 3,744
2026	5,823
2027	2,484
2028	3,090
2029	7,389
Thereafter	9,210

Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, we recognized pension expense of \$0.

At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

NOTE 6: Employee Retirement Systems and Pension Plans (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	7,576	-
	<u>\$ 7,576</u>	<u>\$ -</u>

\$7,576 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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,	Net Deferred Outflows (Inflows) of Resources
2025	\$ -
2026	-
2027	-
2028	-
2029	-
Thereafter	-

Actuarial Assumptions

The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.5 – 9.5 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, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale 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.

NOTE 6: Employee Retirement Systems and Pension Plans (Continued)

The actuarial assumptions used in the January 1, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

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 longterm 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	35.00%	7.01%	2.45%
Debt securities	20.00%	2.54%	0.51%
Real assets	18.00%	5.45%	0.98%
Private equity	12.00%	10.05%	1.21%
Absolute return	15.00%	4.36%	0.65%
Cash and cash equivalents	0.00%	0.49%	0.00%
Totals	100.00%		5.80%
Inflation			2.50%
Expected arithmetic nominal return			8.30%

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

Discount Rate

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

NOTE 6: Employee Retirement Systems and Pension Plans (Continued)

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

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 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 1.00 percentage point lower (5.85 percent) or 1.00 percentage point higher (7.85 percent) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 748,478	\$ 176,979	\$ (302,323)
Tier 2 Public Employees System	98,819	33,086	(18,048)
Total	\$ 847,297	\$ 210,065	\$ (320,371)

Pension Plan Fiduciary Net Position

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

Defined Contribution Savings Plans

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

The town of Alta participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- Roth IRA Plan

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

	2025	2024	2023
401(k) Plan			
Employer Contributions	\$ 13,550	\$ 13,302	\$ 25,055
Employee Contributions	95,454	81,987	51,458
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 15,298	\$ 9,519	\$ 10,770

NOTE 7: Interfund Balances and Transfers

The Town has interfund balances relating to amounts advanced from/to other funds. As of June 30, 2025, these internal balances consisted of the following:

	Due from other funds	Due to other funds
Governmental fund:		
General fund	\$ 296,970	\$ -
Proprietary funds		
Water fund	-	296,970
Totals	<u>\$ 296,970</u>	<u>\$ 296,970</u>

During the fiscal year ended June 30, 2024, the Town Council passed resolution 2023-R-24 to make scheduled payments from the water fund to the general fund to relieve this interfund payable/receivable.

As of June 30, 2025, transfers between funds consisted of the following:

	Transfers in	Transfers out
Governmental funds:		
General fund	\$ -	\$ 988,000
Capital Projects fund	988,000	-
Totals	<u>\$ 988,000</u>	<u>\$ 988,000</u>

These amounts were transferred to help fund planned future projects of the Town.

NOTE 8: Implementation of GASB Statement No. 101, *Compensated Absences*

During the year, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences. This Statement creates a unified model for reporting, as well as amends certain previously required disclosures. As a result of implementing this standard, the Town recalculated its compensated absences balance for June 30, 2024. The resulting increase in compensated absences liability required a restatement of the beginning net position in the Statement of Activities, as summarized below:

	Governmental Activities Statement of Activities
Net position - Beginning of Year	\$ 6,668,486
Adjustment to fund balance:	
Implementation of GASB 101	<u>(53,311)</u>
Net position - Beginning of Year, restated	<u>\$ 6,615,175</u>

Required Supplementary Information

Town of Alta
Schedule of the Proportionate Share of the Net Pension Liability
Measurement Date of December 31, 2024
June 30, 2025
Last 10 Years

Measurement Date December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
Noncontributory System					
2024	0.0558098%	\$ 176,979	\$ 574,277	30.82%	96.0%
2023	0.0433147%	100,471	426,616	23.55%	96.9%
2022	0.0433691%	74,280	408,660	18.18%	97.5%
2021	0.0467294%	(267,624)	449,830	(59.49%)	108.7%
2020	0.0445883%	22,871	426,736	5.36%	99.2%
2019	0.0426131%	160,603	410,144	39.16%	93.7%
2018	0.0466123%	343,240	465,103	73.80%	87.0%
2017	0.0465996%	204,167	460,096	44.37%	90.2%
2016	0.0484515%	311,118	475,177	65.47%	87.3%
2015	0.0452258%	255,910	424,927	60.22%	87.8%
Tier 2 Public Employees Systems					
2024	0.0110937%	\$ 33,086	\$ 327,383	10.11%	87.4%
2023	0.0105120%	20,460	271,770	7.53%	89.6%
2022	0.0102697%	11,183	223,832	5.00%	92.3%
2021	0.0070729%	(2,994)	131,012	(2.29%)	103.8%
2020	0.0065831%	947	105,287	0.90%	98.3%
2019	0.0073132%	1,645	101,651	1.62%	96.5%
2018	0.0044984%	1,927	52,327	3.68%	90.8%
2017	0.0041451%	365	40,561	0.90%	97.4%
2016	0.0051166%	571	41,960	1.36%	95.1%
2015	0.0061727%	(13)	39,880	(0.03%)	100.2%

Town of Alta
Schedule of Contributions
Year Ended June 30, 2025
Last 10 Fiscal Years

As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory System					
2025	\$ 55,980	\$ 55,980	\$ -	\$ 387,231	14.46%
2024	91,175	91,175	-	587,018	15.53%
2023	60,475	60,475	-	385,686	15.68%
2022	77,296	77,296	-	457,974	16.88%
2021	73,484	73,484	-	431,474	17.03%
2020	71,199	71,199	-	416,704	17.09%
2019	70,922	70,922	-	442,266	16.04%
2018	78,304	78,304	-	478,487	16.36%
2017	75,067	75,067	-	461,238	16.28%
2016	73,495	73,495	-	448,477	16.39%
Public Safety Retirement System					
2025	\$ 34,635	\$ 34,635	\$ -	\$ 118,739	29.17%
2024	-	-	-	-	0.00%
2023	-	-	-	-	0.00%
2022	-	-	-	-	0.00%
2021	-	-	-	-	0.00%
2020	-	-	-	-	0.00%
2019	-	-	-	-	0.00%
2018	-	-	-	-	0.00%
2017	-	-	-	-	0.00%
2016	-	-	-	-	0.00%
Tier 2 Public Employees System*					
2025	\$ 55,116	\$ 55,116	\$ -	\$ 362,844	15.19%
2024	45,768	45,768	-	285,869	16.01%
2023	41,170	41,170	-	257,151	16.01%
2022	29,256	29,256	-	182,056	16.07%
2021	16,518	16,518	-	104,547	15.80%
2020	16,547	16,547	-	105,662	15.66%
2019	12,572	12,572	-	80,902	15.54%
2018	6,458	6,458	-	42,741	15.11%
2017	6,149	6,149	-	41,240	14.91%
2016	6,069	6,069	-	40,706	14.91%

This schedule is continued on the next page.

Town of Alta
Schedule of Contributions (Continued)
Year Ended June 30, 2025
Last 10 Fiscal Years

As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Tier 2 Public Safety and Firefighters System					
2025	\$ 7,576	\$ 7,576	\$ -	\$ 28,600	26.49%
2024	-	-	-	-	0.00%
2023	-	-	-	-	0.00%
2022	-	-	-	-	0.00%
2021	-	-	-	-	0.00%
2020	-	-	-	-	0.00%
2019	-	-	-	-	0.00%
2018	-	-	-	-	0.00%
2017	-	-	-	-	0.00%
2016	-	-	-	-	0.00%
Tier 2 Public Employees DC Only*					
2025	\$ 7,032	\$ 7,032	\$ -	\$ 135,496	5.19%
2024	7,915	7,915	-	127,870	6.19%
2023	5,531	5,531	-	89,356	6.19%
2022	3,022	3,022	-	45,177	6.69%
2021	2,477	2,477	-	37,025	6.69%
2020	2,456	2,456	-	36,718	6.69%
2019	2,436	2,436	-	36,408	6.69%
2018	2,447	2,447	-	36,573	6.69%
2017	2,249	2,249	-	33,620	6.69%
2016	2,190	2,190	-	32,729	6.69%

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

NOTE 1: Changes in Assumptions

There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

Town of Alta
Budgetary Comparison – General Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance of Final Budget
Revenues				
Taxes	\$ 2,433,659	\$ 2,638,972	\$ 2,906,285	\$ 267,313
Licenses and permits	132,675	182,593	187,073	4,480
Intergovernmental	52,850	63,788	73,166	9,378
Charges for services	56,800	98,958	101,418	2,460
Fines and forfeitures	15,000	15,758	17,328	1,570
Contributions	92,000	199,452	130,052	(69,400)
Interest income	100,000	145,000	155,606	10,606
Miscellaneous	82,450	5,677	5,677	-
Total revenues	<u>2,965,434</u>	<u>3,350,198</u>	<u>3,576,605</u>	<u>226,407</u>
Expenditures				
Current:				
Legislative	24,950	22,950	20,393	2,557
Municipal building	40,290	44,682	37,807	6,875
Judicial court	35,837	42,647	33,901	8,746
Administration	632,646	657,730	571,581	86,149
Non-departmental	31,850	31,850	26,251	5,599
Transportation	291,350	273,250	254,022	19,228
Planning and zoning	78,600	88,235	86,904	1,331
Police department	1,496,503	1,501,293	1,210,895	290,398
Post office	41,680	48,056	44,727	3,329
Building inspection	15,800	75,124	67,402	7,722
Streets	22,500	24,500	15,230	9,270
Recycling	31,500	31,500	24,632	6,868
Geographic information systems	2,500	-	-	-
Parks	28,120	40,569	33,841	6,728
Library and community center	20,700	7,200	5,576	1,624
Capital Outlay				
Police department	-	7,500	7,202	298
Total expenditures	<u>2,794,826</u>	<u>2,897,086</u>	<u>2,440,364</u>	<u>456,722</u>
Revenues over (under) expenditures	<u>170,608</u>	<u>453,112</u>	<u>1,136,241</u>	<u>(230,315)</u>
Other Financing Sources (uses)				
Transfers to other funds	<u>(170,608)</u>	<u>(988,000)</u>	<u>(988,000)</u>	<u>-</u>
Total other financing sources	<u>(170,608)</u>	<u>(988,000)</u>	<u>(988,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (534,888)</u>	148,241	<u>\$ (230,315)</u>
Fund balance - Beginning of Year			<u>3,505,678</u>	
Fund Balance - End of Year			<u>\$ 3,653,919</u>	

Supplementary Information

Town of Alta
Budgetary Comparison – Capital Projects Fund
For the year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance of Final Budget
Revenues				
Interest income	\$ 40,000	\$ 69,789	\$ 74,891	\$ 5,102
Total revenues	40,000	69,789	74,891	5,102
Expenditures				
Current:				
Municipal building	15,000	8,270	8,270	-
Police department	66,000	113,000	72,944	40,056
Library and community center	75,000	225,000	1,056,396	(831,396)
Total expenditures	161,000	346,270	1,137,610	(791,340)
Revenues over (under) expenditures	(121,000)	(276,481)	(1,062,719)	796,442
Other Financing Sources (uses)				
Transfers from other funds	170,609	988,000	988,000	-
Transfers to other funds	-	(176,631)	-	176,631
Total other financing sources	170,609	811,369	988,000	176,631
Net Change in Fund Balance	\$ 49,609	\$ 534,888	(74,719)	\$ 973,073
Fund balance - Beginning of Year			1,710,590	
Fund Balance - End of Year			\$ 1,635,871	

**Reporting Required by *Government Auditing Standards*
and *State Compliance Audit Guide***



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**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 Members of the Town Council
Town of Alta
Alta, Utah

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 activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Alta (the Town), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated November 19, 2025.

Internal Control over Financial Reporting

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

Gilbert & Stewart

GILBERT & STEWART, CPA PC
Provo, Utah
November 19, 2025



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

Honorable Mayor and Town Council
Alta Town

REPORT ON COMPLIANCE

We have audited Alta Town's compliance with the applicable state requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor for the year ended June 30, 2025.

State compliance requirements were tested for the year ended June 30, 2025, in the following areas:

- Budgetary Compliance
- Fund Balance
- Fraud Risk Assessment
- Restricted Taxes and Related Revenues
- Government Fees
- Impact Fees
- Enterprise Fund Transfers

Opinion on Compliance

In our opinion, Alta Town complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards); and the *State Compliance Audit Guide* (Guide), issued by the Office of the Utah State Auditor. Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Alta Town and to meet our other ethical responsibilities, in accordance with 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 opinion. Our audit does not provide a legal determination of Alta Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, provisions of contracts or grant agreements applicable to Alta Town's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Alta Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore there is not a guarantee that an audit will be conducted in accordance with GAAS, Government Auditing Standards, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Alta Town's compliance with the requirements of the government program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Alta Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Alta Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide but not for the purpose of expressing an opinion on the effectiveness of Alta Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide*, and which are described in our letter to management dated November 19, 2025, as item 25-1. Our opinion on compliance is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on Alta Towns's response to the noncompliance findings identified in our audit described in our letter to management dated November 19, 2025, as item 25-1. Alta Town's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

REPORT ON 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

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 Guide. Accordingly, this report is not suitable for any other purpose. However, pursuant to *Utah Code* Title 63G, Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

Gilbert & Stewart

GILBERT & STEWART

Certified Public Accountants

Provo, UT

November 19, 2025

ALTA TOWN
CORRESPONDENCE WITH THOSE
CHARGED WITH GOVERNANCE
JUNE 30, 2025



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November 19, 2025

Honorable Mayor and Members of the Town Council
Alta Town
Alta, UT

We have audited the financial statements of the Alta Town (the Town) for the year ended June 30, 2025 and have issued our report thereon dated November 19, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 20, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. We noted no transactions entered by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the entity's financial statements was:

Management's estimate of the useful lives of depreciable assets, and the applicable depreciation amounts are based on estimated usefulness of the assets in question and the related wear and tear on those assets. We evaluated the key factors and assumptions used to develop these amounts in determining that they were reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, like obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Utah State Legal Compliance Findings – Current Year:

25-1 Budgetary Compliance

Finding: State law requires that fund expenditures be limited to the amounts budgeted. We noted that the Town exceeded their budgeted expenditures in the Capital Projects Fund by \$791,340.

Recommendation: We recommend the Town review current year expenditures and amend the budget if necessary.

Town's Response: The Town will take appropriate action to ensure that expenditures do not exceed budgeted amounts

Utah State Legal Compliance Findings – Prior Year:

No Findings

We wish to express our appreciation to the Town personnel for the friendly help extended to us during our examination.

This information is intended solely for the use of the Town Management and is not intended to be and should not be used by anyone other than these specified parties. If you have any questions concerning the above items, we will be happy to discuss them with you.

Sincerely,

Gilbert & Stewart

GILBERT & STEWART
Certified Public Accountants