

RICHEY MAY



North Logan City

**Financial Statements
June 30, 2025**

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INTRODUCTORY SECTION

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LYNDSAY PETERSON
MAYOR



ALAN LUCE
CITY ADMINISTRATOR

2076 NORTH 1200 EAST
NORTH LOGAN, UTAH 84341
(435) 752-1310

November 10, 2025

North Logan City Council
North Logan, Utah

It is with great pleasure that the financial statements for North Logan City ("City") for the year ended June 30, 2025, are presented.

In addition to the fund financial information currently presented in the City's financial statements, this report includes government-wide financial statements. The government-wide financial statements include a Statement of Net Position that provides the total net position of the City including all capital assets (including infrastructure) and the Statement of Activities that shows the cost of providing government services.

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. These financial statements are hereby issued and submitted to you for the fiscal year ended June 30, 2025, in accordance with these requirements.

This report consists of management's representations concerning the finances of the City. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established an internal control framework that is designed to both protect the assets of the City from loss, theft, or misuse and to allow for the compiling of sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the City's internal control procedures have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of management's knowledge and belief, this financial report is complete and reliable in all material respects. This internal control structure is subject to periodic evaluation by management.

The City's financial statements have been audited by Richey, May, & Co., LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2025, were free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2025, were fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section in this report.

I wish to express my appreciation to all members of the City who assisted and contributed to the preparation of this report.

Respectfully submitted,

Mayor Lyndsay Peterson
North Logan City

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council of
North Logan City, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of North Logan City ("City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of the City, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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 City 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.

Other Matter

Report on Summarized Comparative Information

We have previously audited the City's 2024 financial statements, and we expressed an unmodified opinion on the respective financial statements in our report dated November 1, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ending June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 pension schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the basic financial statements. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Richey, May & Co., LLP

North Logan, Utah
November 10, 2025

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NORTH LOGAN CITY Management's Discussion and Analysis

For the Year Ended June 30, 2025

As management of North Logan City ("City"), we offer readers of the City's basic financial statements this narrative overview and analysis of our financial activities for the fiscal year ended June 30, 2025.

FINANCIAL HIGHLIGHTS

- The total net position of the City increased seven percent to \$65,057,539.
- The total net position of \$65,057,539 was made up of \$56,275,891 in capital assets net of related debt and \$1,194,512 of restricted net position and \$7,587,136 of unrestricted net position.
- In the Governmental Funds, expenditures exceeded revenues by \$8,121,700 due to capital projects.
- Total net position of business-type activities increased by \$1,686,941.

REPORTING THE CITY AS A WHOLE

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, consisting of the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information in addition to the basic financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business and can be found on pages 17-19 of this report.

- The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, users should also consider other nonfinancial factors when evaluating the financial statements of the City.
- The Statement of Activities presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all of the current year's revenues and expenses are considered regardless of when cash is received or paid.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

NORTH LOGAN CITY

Management's Discussion and Analysis

Continued

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

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

- *Governmental funds* – These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed, short-term view of the City's general government operations and the basic services provided. Governmental fund information helps users determine whether there are more or fewer financial resources available to spend in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations included with the fund financial statements.

The major governmental funds are the General Fund; Library, Redevelopment Agency (RDA), and Public Safety Special Revenue Funds; Local Building Authority (LBA), and the Capital Projects Fund.

- *Proprietary funds* – The City maintains one type of proprietary fund (enterprise funds), which reports the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility, sewer utility, and storm water utility.

The major proprietary funds are the water utility, sewer utility, and storm water utility funds.

NORTH LOGAN CITY
Management's Discussion and Analysis

Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$65,057,539.

The greatest portion of the City's net position (87%) reflects its investment in capital assets (i.e., land, construction in progress, buildings, infrastructure, and equipment), less any related outstanding debt used to acquire such assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay such debt must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

	Governmental Activities		Business-type Activities	
	2025	2024	2025	2024
Current assets	\$ 10,280,315	\$ 11,697,651	\$ 3,043,631	\$ 3,436,179
Noncurrent assets	210,682	6,031,429	993,730	987,772
Capital and right-of-use assets	38,680,112	28,319,318	23,088,973	20,362,520
Deferred outflows of resources	377,267	383,447	94,317	95,862
Total assets and deferred outflows	49,548,376	46,431,845	27,220,651	24,882,333
Long-term debt outstanding	5,176,415	5,316,150	316,779	310,219
Other liabilities	2,404,899	1,386,665	1,302,776	657,781
Deferred inflows of resources	2,509,248	2,556,653	1,371	1,549
Total liabilities and deferred inflows	10,090,562	9,259,468	1,620,926	969,549
Net position				
Net investment in capital assets	33,503,697	22,956,317	22,772,194	20,050,432
Restricted for capital projects and debt	200,782	5,978,496	993,730	987,772
Unrestricted	5,753,335	8,237,564	1,833,801	2,874,580
Total net position	\$ 39,457,814	\$ 37,172,377	\$ 25,599,725	\$ 23,912,784

NORTH LOGAN CITY

Management's Discussion and Analysis

Continued

The following table summarizes the changes in the City's net position during the fiscal year ended June 30, 2025:

	Governmental Activities		Business-type Activities	
	2025	2024	2025	2024
Revenues:				
Program revenues:				
Charges for services	\$ 2,469,950	\$ 2,410,252	\$ 5,185,584	\$ 4,864,994
Dedicated property tax	1,117,235	1,258,282	-	-
Operating grants and contributions	1,205,101	1,455,534	-	-
Capital grants and contributions	1,999,934	1,491,077	947,529	250,089
General revenues:				
Property taxes	1,361,584	1,261,878	-	-
Other taxes	6,188,704	6,230,137	-	-
Investment income	728,197	876,442	78,323	99,252
Other revenues	617,151	43,269	-	-
Total revenues	15,687,856	15,026,871	6,211,436	5,214,335
Expenses:				
General government	1,308,359	1,400,391	-	-
Public safety	3,552,489	3,333,063	-	-
Streets	3,546,714	3,281,824	-	-
Public works	79,906	61,256	-	-
Sanitation	1,050,218	1,067,851	-	-
Parks and recreation	2,856,113	2,413,176	-	-
Community development	1,008,620	460,260	-	-
Water	-	-	1,596,213	1,510,074
Sewer	-	-	2,630,346	2,695,537
Storm water	-	-	297,936	306,291
Total expenses	13,402,419	12,017,821	4,524,495	4,511,902
Transfers in (out)	-	(77,000)	-	77,000
Change in net position	2,285,437	2,932,050	1,686,941	779,433
Net position, beginning	37,172,377	34,240,327	23,912,784	23,133,351
Net position, ending	\$ 39,457,814	\$ 37,172,377	\$ 25,599,725	\$ 23,912,784

ECONOMIC OUTLOOK

The City is continuing to grow with new development and as a result is increasing the infrastructure required for that growth while maintaining the same level of service for existing citizens.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

As of June 30, 2025, the City's governmental funds (General, Special Revenue, and Capital Projects) reported combined fund balances of \$6,089,904. This represents a decrease of \$8,121,700 (57%) over last year's ending balances.

The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to match revenues and expenses are accounted for in this fund.

Taxes are the greatest source of revenue in the General Fund and represented 64 percent of total general fund revenues. The largest element was sales tax, which represented 63 percent of total tax revenues and 40 percent of total General Fund revenues. This compares with 40 percent in the prior fiscal year ended June 30, 2024.

The City maintains three enterprise funds to account for its business-type activities. The separate fund statements included in this report provide the same information for business-type activities, in much more detail, as that provided in the government-wide financial statements.

Significant changes in the governmental funds included the expenditures made by the Local Building Authority (LBA) fund with a total decrease in fund balance of \$6,135,061 which included expenditures for the community center building.

Significant changes in business-type activities included an increase in capital assets through contributions and acquisitions of \$3,408,958.

GENERAL AND SPECIAL REVENUE FUND BUDGETARY HIGHLIGHTS

The General Fund original budget for expenditures was \$12,520,895, which increased 12 percent to \$14,071,388 due to increased costs associated with general government, parks, public safety, streets, and community planning.

The Library Fund original budget for expenditures was \$677,471, which increased 18% to \$796,643 to cover additional costs.

The RDA Fund original budget for expenditures was \$468,410, which increased less than 1% to \$469,928 to cover additional costs.

The Public Safety Fund original and final budgets for expenditures was \$175,000.

The LBA Fund original budget for expenditures was \$239,000, which increased 2,778% to \$6,878,119 to cover additional capital projects.

NORTH LOGAN CITY

Management's Discussion and Analysis

Continued

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets – The City's capital and right-of-use assets (net of accumulated depreciation) as of June 30, 2025, totaled \$61,769,085. This includes land, construction in progress, buildings, improvements, infrastructure (streets, sidewalks, etc.), and equipment. The total assets increased by 27 percent due to capital asset additions being greater than current year depreciation.

Major capital asset events during the current fiscal year included the following:

- \$2,858,998 for water improvements.
- \$422,792 for sewer improvements.
- \$52,129 for storm water improvements.
- \$2,741,343 for road improvements.
- \$8,674,360 for buildings and equipment
- \$362,231 for land acquisition.

	Governmental Activities	Business-type Activities
Land and water shares	\$ 7,670,532	\$ 1,944,510
Distribution and collection systems	30,957,124	30,963,859
Buildings and equipment	24,068,279	2,296,360
Less: accumulated depreciation	(24,263,810)	(12,199,640)
Total	<u>\$ 38,432,125</u>	<u>\$ 23,005,089</u>
Right-of-use assets - vehicles, net	<u>\$ 247,987</u>	<u>\$ 83,884</u>

Additional information on the City's capital assets can be found in the footnotes to this financial report.

Long-term debt – At June 30, 2025, the City had total notes payable of \$534,684, lease revenue bonds of \$4,672,389, and vehicle leasing liabilities of \$286,121. The City's debt decreased by \$162,828 during the fiscal year. See the footnotes for additional information on the debt obligations of the City.

	Governmental Activities	Business-type Activities
Notes payable	\$ 294,098	\$ 240,586
Lease revenue bonds	4,672,389	-
Total outstanding debt	<u>\$ 4,966,487</u>	<u>\$ 240,586</u>
Lease liabilities - vehicles	<u>\$ 209,928</u>	<u>\$ 76,193</u>
Compensated absences	<u>\$ 195,279</u>	<u>\$ 53,631</u>

NORTH LOGAN CITY
Statement of Net Position

As of June 30, 2025

	Governmental Activities	Business-type Activities	Total 2025	Memorandum 2024
Assets				
Current assets:				
Cash and cash equivalents	\$ 7,127,839	\$ 2,550,109	\$ 9,677,948	\$ 11,458,261
Accounts receivable, net	3,138,243	493,522	3,631,765	3,667,562
Prepaid expense	14,233	-	14,233	8,007
Total current assets	10,280,315	3,043,631	13,323,946	15,133,830
Noncurrent assets:				
Restricted cash and cash equivalents	210,682	993,730	1,204,412	6,966,268
Right-of-use assets - vehicles, net	247,987	83,884	331,871	52,933
Capital assets:				
Land and water shares	7,670,532	1,944,510	9,615,042	9,291,211
Distribution and collection systems	30,957,124	30,963,858	61,920,982	48,956,876
Buildings and equipment	24,068,279	2,296,361	26,364,640	24,800,094
Less: accumulated depreciation	(24,263,810)	(12,199,640)	(36,463,450)	(34,366,343)
Total capital assets	38,432,125	23,005,089	61,437,214	48,681,838
Total noncurrent assets	38,890,794	24,082,703	62,973,497	55,701,039
Total assets	49,171,109	27,126,334	76,297,443	70,834,869
Deferred outflows of resources - pensions	377,267	94,317	471,584	479,309
Total assets and deferred outflows of resources	\$ 49,548,376	\$ 27,220,651	\$ 76,769,027	\$ 71,314,178

See accompanying notes to the financial statements.

NORTH LOGAN CITY
Statement of Net Position

Continued

	Governmental Activities	Business-type Activities	Total 2025	Memorandum 2024
Liabilities and Deferred Inflows of Resources				
Current liabilities:				
Accounts payable	\$ 1,206,214	\$ 1,119,549	\$ 2,325,763	\$ 1,257,658
Accrued expense	614,939	60,801	675,740	139,294
Customer deposits	76,172	-	76,172	75,311
Accrued compensated absences due within one year	97,639	26,815	124,454	122,450
Accrued interest payable	42,910	1,449	44,359	48,720
Lease liabilities - vehicles due within one year	47,282	17,160	64,442	29,652
Bonds and notes payable due within one year	241,942	74,667	316,609	480,383
Total current liabilities	<u>2,327,098</u>	<u>1,300,441</u>	<u>3,627,539</u>	<u>2,153,468</u>
Noncurrent liabilities:				
Net pension liability	269,385	67,346	336,731	248,910
Lease liabilities - vehicles	162,646	59,033	221,679	-
Bonds and notes payable	4,724,545	165,919	4,890,464	5,145,986
Accrued compensated absences	97,640	26,816	124,456	122,451
Total noncurrent liabilities	<u>5,254,216</u>	<u>319,114</u>	<u>5,573,330</u>	<u>5,517,347</u>
Deferred inflows of resources - pensions	5,480	1,371	6,851	7,747
Deferred inflows of resources - property taxes	2,503,768	-	2,503,768	2,550,455
Total liabilities and deferred inflows of resources	<u>10,090,562</u>	<u>1,620,926</u>	<u>11,711,488</u>	<u>10,229,017</u>
Net Position				
Net investment in capital assets	33,503,697	22,772,194	56,275,891	43,006,749
Restricted for:				
Debt service	23,265	-	23,265	5,009,801
Impact fees and park projects	177,517	993,730	1,171,247	1,956,467
Unrestricted	5,753,335	1,833,801	7,587,136	11,112,144
Total net position	<u>\$ 39,457,814</u>	<u>\$ 25,599,725</u>	<u>\$ 65,057,539</u>	<u>\$ 61,085,161</u>

NORTH LOGAN CITY
Statement of Activities

For the Year Ended June 30, 2025

	Program Revenues					Net Governmental Activities	Business-type Activities	Total 2025	Memorandum 2024
	Expenses	Charges for Services	Dedicated Property Tax	Operating Grants & Contributions	Capital Grants & Contributions				
Governmental activities:									
General government	\$ 1,308,359	\$ 700,326	\$ -	\$ -	\$ 239,000	\$ (369,033)	\$ -	\$ (369,033)	\$ 403,204
Public safety	3,552,489	374,083	-	-	-	(3,178,406)	-	(3,178,406)	(2,793,472)
Streets	3,546,714	13,208	-	888,492	1,465,096	(1,179,918)	-	(1,179,918)	(2,168,331)
Public works	79,906	-	-	-	-	(79,906)	-	(79,906)	(61,256)
Sanitation	1,050,218	987,033	-	-	-	(63,185)	-	(63,185)	(25,544)
Parks and recreation	2,856,113	395,300	447,743	316,609	295,838	(1,400,623)	-	(1,400,623)	(1,113,526)
Community development	1,008,620	-	669,492	-	-	(339,128)	-	(339,128)	356,249
Total governmental activities	<u>13,402,419</u>	<u>2,469,950</u>	<u>1,117,235</u>	<u>1,205,101</u>	<u>1,999,934</u>	<u>(6,610,199)</u>	<u>-</u>	<u>(6,610,199)</u>	<u>(5,402,676)</u>
Business-type activities:									
Water	1,596,213	2,181,882	-	-	658,666	-	1,244,335	1,244,335	543,751
Sewer	2,630,346	2,668,081	-	-	288,863	-	326,598	326,598	796
Storm water	297,936	335,621	-	-	-	-	37,685	37,685	58,634
Total business-type activities	<u>\$ 4,524,495</u>	<u>\$ 5,185,584</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 947,529</u>	<u>-</u>	<u>1,608,618</u>	<u>1,608,618</u>	<u>603,181</u>
General revenues:									
Taxes:									
Property taxes levied for general purposes						1,361,584	-	1,361,584	1,261,878
Franchise and other taxes						1,444,488	-	1,444,488	1,428,920
General sales taxes & highway sales taxes						4,744,216	-	4,744,216	4,801,217
Business licenses						87,029	-	87,029	85,328
Gain (loss) on sale of assets						530,122	-	530,122	(42,059)
Investment income						728,197	78,323	806,520	975,694
Total general revenues						<u>8,895,636</u>	<u>78,323</u>	<u>8,973,959</u>	<u>8,510,978</u>
Change in net position						2,285,437	1,686,941	3,972,378	3,711,483
Net position, beginning						37,172,377	23,912,784	61,085,161	57,373,678
Net position, ending						<u>\$ 39,457,814</u>	<u>\$ 25,599,725</u>	<u>\$ 65,057,539</u>	<u>\$ 61,085,161</u>

See accompanying notes to the financial statements.

NORTH LOGAN CITY

Balance Sheet

Governmental Funds

As of June 30, 2025

	General	Library	Capital Projects	RDA	Public Safety	LBA	Total 2025	Memorandum Total 2024
Assets								
Cash and cash equivalents	\$ 2,865,986	\$ 467,683	\$ 891,917	\$ 2,902,253	\$ -	\$ -	\$ 7,127,839	\$ 8,475,738
Accounts receivable, net	2,018,751	450,000	-	669,492	-	-	3,138,243	3,213,906
Prepaid expense	14,233	-	-	-	-	-	14,233	8,007
Restricted cash and cash equivalents	177,517	-	-	-	-	33,165	210,682	5,978,496
Total assets	\$ 5,076,487	\$ 917,683	\$ 891,917	\$ 3,571,745	\$ -	\$ 33,165	\$10,490,997	\$ 17,676,147
Liabilities, deferred inflows of resources, and fund balance								
Liabilities:								
Accounts payable	\$ 706,818	\$ 5,258	\$ 466,563	\$ 17,675	\$ -	\$ 9,900	\$ 1,206,214	\$ 726,105
Accrued expenses	217,366	1,202	396,371	-	-	-	614,939	139,242
Customer deposits	76,172	-	-	-	-	-	76,172	48,741
Total liabilities	1,000,356	6,460	862,934	17,675	-	9,900	1,897,325	914,088
Total deferred inflows of resources	1,384,276	450,000	-	669,492	-	-	2,503,768	2,550,455
Total liabilities and deferred inflows	2,384,632	456,460	862,934	687,167	-	9,900	4,401,093	3,464,543
Fund balance:								
Non spendable	14,233	-	-	-	-	-	14,233	8,007
Restricted for:								
Park impact	158,601	-	-	-	-	-	158,601	179,328
Road impact	-	-	-	-	-	-	-	789,367
Debt service and unexpended loan proceeds	-	-	-	-	-	23,265	23,265	5,009,801
Grants	18,916	-	-	-	-	-	18,916	-
Assigned for:								
Cemetery	465,773	-	-	-	-	-	465,773	408,752
Wildland fires	258,583	-	-	-	-	-	258,583	253,720
Elk Ridge Park	22,105	-	-	-	-	-	22,105	21,689
Special revenue funds	-	461,223	-	2,884,578	-	-	3,345,801	4,090,069
Capital projects funds	-	-	28,983	-	-	-	28,983	803,088
Unassigned for: general fund	1,753,644	-	-	-	-	-	1,753,644	2,647,783
Total fund balances	2,691,855	461,223	28,983	2,884,578	-	23,265	6,089,904	14,211,604
Total liabilities, deferred inflows of resources and fund balances	\$ 5,076,487	\$ 917,683	\$ 891,917	\$ 3,571,745	\$ -	\$ 33,165		
Amounts reported for governmental activities in the statement of net position are different because:								
Capital assets used in governmental activities are not financial resources so they are not reported in the governmental funds. The cost of these assets is \$62,695,935 and \$51,190,160, respectively and the accumulated depreciation is \$24,263,810 and \$22,870,842, respectively.							38,432,125	28,319,318
Long-term liabilities, including notes payable, accrued interest, and accrued compensated absences are not payable in the current period and therefore are not reported in the governmental funds.							(5,204,676)	(5,559,947)
Right-of-use assets and related lease liabilities are not due and payable in the current period or financial resources and therefore are not reported in the governmental funds.							38,059	23,281
Pension related assets, liabilities, deferred inflows and deferred outflows are not payable in the current period and therefore are not reported in the governmental funds.							102,402	178,121
Total net position of governmental activities							\$39,457,814	\$ 37,172,377

NORTH LOGAN CITY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended June 30, 2025

	General	Library	Capital Projects	RDA	Public Safety	LBA	Total 2025	Memorandum 2024
Revenues:								
Taxes	\$ 7,550,288	\$ 447,743	\$ -	\$ 669,492	\$ -	\$ -	\$ 8,667,523	\$ 8,750,297
Licenses and permits	381,750	-	-	-	-	-	381,750	340,414
Intergovernmental revenue	1,036,682	5,555	-	-	-	-	1,042,237	1,183,184
Charges for services	2,171,437	14,769	-	-	164,014	-	2,350,220	2,011,715
Fines	41,576	5,430	-	-	-	-	47,006	151,565
Other	363,168	338,999	110,178	42,896	-	474,853	1,330,094	1,511,270
Total revenues	<u>11,544,901</u>	<u>812,496</u>	<u>110,178</u>	<u>712,388</u>	<u>164,014</u>	<u>474,853</u>	<u>13,818,830</u>	<u>13,948,445</u>
Expenditures:								
Current operations:								
General government	1,530,295	-	52,089	-	-	6,658,919	8,241,303	7,517,059
Public safety	3,334,701	-	73,695	-	164,014	-	3,572,410	3,287,871
Streets	4,778,740	-	-	-	-	-	4,778,740	3,137,935
Public works	79,906	-	-	-	-	-	79,906	61,256
Sanitation	1,050,218	-	-	-	-	-	1,050,218	1,067,851
Parks and recreation	1,929,799	720,993	137	-	-	-	2,650,929	2,735,471
Community development	405,933	-	1,653,950	399,634	-	-	2,459,517	654,706
Total expenditures	<u>13,109,592</u>	<u>720,993</u>	<u>1,779,871</u>	<u>399,634</u>	<u>164,014</u>	<u>6,658,919</u>	<u>22,833,023</u>	<u>18,462,149</u>
Excess (deficiency) of revenues over expenditures	(1,564,691)	91,503	(1,669,693)	312,754	-	(6,184,066)	(9,014,193)	(4,513,704)
Other financing sources (uses):								
Sale of capital assets	-	-	608,448	-	-	-	608,448	10,500
Proceeds from issuance of debt	271,905	-	-	-	-	-	271,905	5,329,250
Capital contributions	-	-	12,140	-	-	-	12,140	1,120,485
Transfers in (out)	(324,005)	-	275,000	-	-	49,005	-	(77,000)
Total other financing sources	<u>(52,100)</u>	<u>-</u>	<u>895,588</u>	<u>-</u>	<u>-</u>	<u>49,005</u>	<u>892,493</u>	<u>6,383,235</u>
Net change in fund balances	(1,616,791)	91,503	(774,105)	312,754	-	(6,135,061)	(8,121,700)	1,869,531
Fund balances, beginning	4,308,646	369,720	803,088	2,571,824	-	6,158,326	14,211,604	12,342,073
Fund balances, ending	<u>\$ 2,691,855</u>	<u>\$ 461,223</u>	<u>\$ 28,983</u>	<u>\$ 2,884,578</u>	<u>\$ -</u>	<u>\$ 23,265</u>	<u>\$ 6,089,904</u>	<u>\$ 14,211,604</u>

See accompanying notes to the financial statements.

NORTH LOGAN CITY**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities****For the Year Ended June 30, 2025**

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

Net change in fund balances-total governmental funds \$ (8,121,700)

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

Contributed capital	\$ 1,326,764	
Purchase of fixed assets	10,434,119	
Proceeds on disposal of assets	(608,448)	
Gain on disposal of assets	530,122	
Depreciation expense	<u>(1,569,750)</u>	10,112,807

Pension expense (75,719)

Governmental funds report lease proceeds as an other financing source, while repayment of lease principal is reported as an expenditure. The net effect of these differences in the treatment of financing lease and right-of-use assets is as follows:

Lease issuance	271,905	
Purchase of right-of-use assets	(271,905)	
Principal payments on financing leases	91,629	
Amortization expense	<u>(76,851)</u>	14,778

Governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Repayment of notes payable	349,663	
Change in accrued interest	3,941	
Change in accrued compensated absences	<u>1,667</u>	355,271

Change in net position of governmental activities		<u>\$ 2,285,437</u>
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NORTH LOGAN CITY
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
General property taxes-current	\$ 1,270,621	\$ 1,270,621	\$ 1,353,712	\$ 83,091
Prior years' taxes-delinquent	12,000	12,000	7,872	(4,128)
General sales and use taxes	4,992,133	4,656,408	4,744,216	87,808
Franchise taxes	27,000	27,000	24,349	(2,651)
Transportation tax	27,000	389,000	393,737	4,737
Mass transit tax	970,000	1,070,000	1,026,402	(43,598)
Total taxes	7,298,754	7,425,029	7,550,288	125,259
Licenses and permits:				
Business licenses and permits	71,000	85,205	87,029	1,824
Building structures and equipment	210,000	297,225	290,242	(6,983)
Animal licenses	6,100	6,100	4,479	(1,621)
Total licenses and permits	287,100	388,530	381,750	(6,780)
Intergovernmental revenues:				
State and other governmental grants	186,550	192,600	148,190	(44,410)
Class "C" road fund allotment	715,000	760,516	888,492	127,976
Total intergovernmental revenues	901,550	953,116	1,036,682	83,566
Charges for services:				
Zoning and subdivision fees	105,050	323,512	502,023	178,511
Public safety	162,540	175,000	177,222	2,222
Refuse collection charges	1,250,000	1,250,000	987,033	(262,967)
Cemetery fees	25,000	46,480	47,155	675
Parks and public property	358,150	643,151	458,004	(185,147)
Total charges for services	1,900,740	2,438,143	2,171,437	(266,706)
Fines and forfeitures:				
Fines	161,500	161,500	41,576	(119,924)
Forfeitures	20	20	-	(20)
Total fines and forfeitures	161,520	161,520	41,576	(119,944)
Other revenue:				
Investment income	355,975	355,975	311,325	(44,650)
Rents and miscellaneous	44,648	41,558	51,843	10,285
Sale of supplies	5,000	65,000	-	(65,000)
Total other revenue	405,623	462,533	363,168	(99,365)
Total revenues	\$ 10,955,287	\$ 11,828,871	\$ 11,544,901	\$ (283,970)

See accompanying notes to the financial statements.

NORTH LOGAN CITY

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

General Fund

Continued

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
General government:				
Legislative	\$ 132,123	\$ 150,538	\$ 137,398	\$ 13,140
Judicial	247,000	232,000	220,655	11,345
Executive	276,821	282,621	246,662	35,959
Administrative	370,877	371,177	361,571	9,606
Non-departmental	313,903	688,399	551,014	137,385
Planning and zoning	10,260	14,675	12,995	1,680
Total general government	1,350,984	1,739,410	1,530,295	209,115
Public safety:				
Police department	2,118,389	2,118,389	1,924,382	194,007
Fire department	1,085,481	1,088,141	1,086,309	1,832
Protective inspection	217,500	260,810	323,903	(63,093)
Animal control	500	500	107	393
Total public safety	3,421,870	3,467,840	3,334,701	133,139
Streets, public works and sanitation:				
Streets	4,105,941	4,950,841	4,778,740	172,101
Public works	87,702	97,164	79,906	17,258
Sanitation	1,240,500	1,240,500	1,050,218	190,282
Total streets, public works and sanitation	5,434,143	6,288,505	5,908,864	379,641
Parks and recreation:				
Park and park areas	1,185,330	1,283,096	1,122,380	160,716
Recreation and culture	634,475	803,491	796,659	6,832
Cemetery	17,000	8,000	10,760	(2,760)
Total parks and recreation	1,836,805	2,094,587	1,929,799	164,788
Community and economic development:				
Community planning	477,093	481,046	405,933	75,113
Total expenditures	12,520,895	14,071,388	13,109,592	961,796
Transfers and other sources/(uses):				
Proceeds from issuance of debt	-	-	271,905	271,905
Transfer (to)/from other funds	75,000	(124,006)	(324,005)	(199,999)
Total transfers & other sources/(uses)	75,000	(124,006)	(52,100)	71,906
Net change in fund balance	(1,490,608)	(2,366,523)	(1,616,791)	749,732
Fund balance, beginning	4,308,646	4,308,646	4,308,646	-
Fund balance, ending	\$ 2,818,038	\$ 1,942,123	\$ 2,691,855	\$ 749,732

NORTH LOGAN CITY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Library, RDA, Public Safety, and LBA Funds

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Library revenues				
Dedicated property taxes	\$ 447,743	\$ 458,021	\$ 447,743	\$ (10,278)
Intergovernmental revenue	-	6,172	5,555	(617)
Charges for services	15,600	15,600	14,769	(831)
Fines	6,000	6,000	5,430	(570)
Other	199,098	333,577	338,999	5,422
Total revenues	668,441	819,370	812,496	(6,874)
Library expenditures				
General operations	677,471	796,643	720,993	75,650
Total expenditures	677,471	796,643	720,993	75,650
Net change in fund balance	(9,030)	22,727	91,503	68,776
Fund balance, beginning	369,720	369,720	369,720	-
Fund balance, ending	\$ 360,690	\$ 392,447	\$ 461,223	\$ 68,776
RDA revenues				
Dedicated property taxes	\$ 720,000	\$ 669,492	\$ 669,492	\$ -
Other	27,800	31,072	42,896	11,824
Total revenues	747,800	700,564	712,388	11,824
RDA expenditures				
Community development	468,410	469,928	399,634	70,294
Total expenditures	468,410	469,928	399,634	70,294
Net change in fund balance	279,390	230,636	312,754	82,118
Fund balance, beginning	2,571,824	2,571,824	2,571,824	-
Fund balance, ending	\$ 2,851,214	\$ 2,802,460	\$ 2,884,578	\$ 82,118
Public Safety revenues				
Public Safety fees	\$ 175,000	\$ 175,000	\$ 164,014	\$ (10,986)
Public Safety expenditures				
Professional and technical fees	175,000	175,000	164,014	10,986
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the financial statements.

NORTH LOGAN CITY**Statement of Revenues, Expenditures, and Changes in Fund Balances****Budget and Actual****Library, RDA, Public Safety, and LBA Funds*****Continued***

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
LBA revenues				
Other revenue	\$ 239,000	\$ 467,096	\$ 474,853	\$ 7,757
LBA expenditures				
Debt service	239,000	239,000	234,685	4,315
Capital outlay	-	6,639,119	6,424,234	214,885
Total expenditures	239,000	6,878,119	6,658,919	219,200
Excess (deficiency) of revenues over expenditures	-	(6,411,023)	(6,184,066)	226,957
Transfer from other funds	-	49,006	49,005	1
Net change in fund balance	-	(6,362,017)	(6,135,061)	226,958
Fund balance, beginning	6,158,326	6,158,326	6,158,326	-
Fund balance, ending	\$ 6,158,326	\$ (203,691)	\$ 23,265	\$ 226,958

NORTH LOGAN CITY
Statement of Net Position
Proprietary Funds

For the Year Ended June 30, 2025

	Water	Sewer	Storm water	Total 2025	Memorandum 2024
Assets					
Current assets:					
Cash and cash equivalents	\$ 536,798	\$ 1,973,424	\$ 39,887	\$ 2,550,109	\$ 2,982,523
Accounts receivable, net	222,688	238,957	31,877	493,522	453,656
Total current assets	<u>759,486</u>	<u>2,212,381</u>	<u>71,764</u>	<u>3,043,631</u>	<u>3,436,179</u>
Noncurrent assets:					
Restricted cash and cash equivalents	-	993,730	-	993,730	987,772
Right-of-use assets - vehicles, net	25,865	58,019	-	83,884	-
Capital assets					
Land and water shares	1,943,660	850	-	1,944,510	1,944,510
Distribution and collection systems	19,650,285	10,110,889	1,202,684	30,963,858	27,629,940
Buildings and equipment	1,064,618	909,943	321,800	2,296,361	2,283,571
Less: accumulated depreciation	<u>(7,197,469)</u>	<u>(4,587,348)</u>	<u>(414,823)</u>	<u>(12,199,640)</u>	<u>(11,495,501)</u>
Total noncurrent assets	<u>15,486,959</u>	<u>7,486,083</u>	<u>1,109,661</u>	<u>24,082,703</u>	<u>21,350,292</u>
Deferred outflows of resources- pensions	<u>51,874</u>	<u>33,011</u>	<u>9,432</u>	<u>94,317</u>	<u>95,862</u>
Total assets and deferred outflows of resources	<u>\$ 16,298,319</u>	<u>\$ 9,731,475</u>	<u>\$ 1,190,857</u>	<u>\$ 27,220,651</u>	<u>\$ 24,882,333</u>

See accompanying notes to the financial statements.

NORTH LOGAN CITY
Statement of Net Position
Proprietary Funds

Continued

	Water	Sewer	Storm water	Total 2025	Memorandum 2024
Liabilities					
Current liabilities:					
Accounts payable	\$ 1,004,577	\$ 114,895	\$ 77	\$ 1,119,549	\$ 531,553
Accrued payables	59,988	588	225	60,801	52
Customer deposits	-	-	-	-	26,570
Accrued compensated absences, due within one year	14,559	9,568	2,688	26,815	23,977
Accrued interest payable	-	1,449	-	1,449	1,869
Lease liabilities - vehicles, due within one year	5,291	11,869	-	17,160	-
Notes payable - due within one year	-	74,667	-	74,667	69,633
Total current liabilities	1,084,415	213,036	2,990	1,300,441	653,654
Noncurrent liabilities:					
Net pension liability	37,040	23,571	6,735	67,346	49,782
Lease liabilities - vehicles, due in more than one year	18,203	40,830	-	59,033	-
Notes payable, due in more than one year	-	165,919	-	165,919	240,586
Accrued compensated absences	14,559	9,569	2,688	26,816	23,978
Total noncurrent liabilities	69,802	239,889	9,423	319,114	314,346
Total liabilities	1,154,217	452,925	12,413	1,619,555	968,000
Deferred inflows of resources- pensions	754	480	137	1,371	1,549
Total liabilities and deferred inflows	1,154,971	453,405	12,550	1,620,926	969,549
Net Position					
Net investment in capital assets	15,463,465	6,199,068	1,109,661	22,772,194	20,050,432
Restricted for impact fees	-	993,730	-	993,730	987,772
Unrestricted	(320,117)	2,085,272	68,646	1,833,801	2,874,580
Total net position	\$ 15,143,348	\$ 9,278,070	\$ 1,178,307	\$ 25,599,725	\$ 23,912,784

NORTH LOGAN CITY
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds

For the Year Ended June 30, 2025

	Water	Sewer	Storm water	Total 2025	Memorandum 2024
Operating revenues:					
Charges for services	\$ 2,180,971	\$ 2,668,081	\$ 335,621	\$ 5,184,673	\$ 4,862,503
Other	911	-	-	911	2,491
Total operating revenues	2,181,882	2,668,081	335,621	5,185,584	4,864,994
Operating expenses:					
Wages and benefits	416,516	216,240	96,206	728,962	648,380
Professional fees	152,352	16,076	6,474	174,902	382,518
Disposal and treatment	-	1,730,435	-	1,730,435	1,772,342
Utilities	133,343	10,941	-	144,284	117,777
Repairs and maintenance	130,517	234,578	81,798	446,893	183,232
Other	270,709	48,702	37,219	356,630	524,253
Facilities	104,119	52,060	15,312	171,491	143,941
Amortization	4,565	10,238	-	14,803	-
Depreciation	384,092	289,070	60,927	734,089	712,466
Total operating expenses	1,596,213	2,608,340	297,936	4,502,489	4,484,909
Operating income	585,669	59,741	37,685	683,095	380,085
Non-operating revenues (expenses):					
Interest income	41,795	36,528	-	78,323	99,252
Interest expense	-	(22,006)	-	(22,006)	(26,993)
Total non-operating revenues (expenses)	41,795	14,522	-	56,317	72,259
Net income before contributions and transfers	627,464	74,263	37,685	739,412	452,344
Impact fees	376,366	133,583	-	509,949	197,993
Transfers in	-	-	-	-	77,000
Grants	-	-	-	-	52,096
Contributed capital	282,300	155,280	-	437,580	-
Change in net position	1,286,130	363,126	37,685	1,686,941	779,433
Total net position, beginning	13,857,218	8,914,944	1,140,622	23,912,784	23,133,351
Total net position, ending	\$ 15,143,348	\$ 9,278,070	\$ 1,178,307	\$ 25,599,725	\$ 23,912,784

See accompanying notes to the financial statements.

NORTH LOGAN CITY
Statement of Cash Flows
Proprietary Funds

For the Year Ended June 30, 2025

	Water	Sewer	Storm water	Total 2025	Memorandum 2024
Cash flows from operating activities					
Receipts from customers and users	\$ 2,156,913	\$ 2,656,206	\$ 332,599	\$ 5,145,718	\$ 5,079,325
Payments to suppliers	128,954	(1,854,385)	(142,893)	(1,868,324)	(3,547,396)
Payments to employees	(416,516)	(216,240)	(96,206)	(728,962)	(648,380)
Net cash flows from operating activities	<u>1,869,351</u>	<u>585,581</u>	<u>93,500</u>	<u>2,548,432</u>	<u>883,549</u>
Cash flows from capital and related financing activities					
Proceeds from grants	-	-	-	-	52,096
Principal paid on capital debt	-	(69,633)	-	(69,633)	(116,908)
Interest paid on capital debt	-	(22,006)	-	(22,006)	(26,993)
Principal paid on financing leases	(6,936)	(15,558)	-	(22,494)	-
Proceeds from sale of capital assets	-	-	-	-	41,585
Purchases of capital assets	(2,592,084)	(279,407)	(67,587)	(2,939,078)	(2,521,581)
Net cash flows from capital and related financing activities	<u>(2,599,020)</u>	<u>(386,604)</u>	<u>(67,587)</u>	<u>(3,053,211)</u>	<u>(2,571,801)</u>
Cash flows from investing activities					
Interest received	<u>41,795</u>	<u>36,528</u>	<u>-</u>	<u>78,323</u>	<u>99,252</u>
Net cash flows from investing activities	<u>41,795</u>	<u>36,528</u>	<u>-</u>	<u>78,323</u>	<u>99,252</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	(687,874)	235,505	25,913	(426,456)	(1,589,000)
Cash, cash equivalents, and restricted cash, beginning	<u>1,224,672</u>	<u>2,731,649</u>	<u>13,974</u>	<u>3,970,295</u>	<u>5,559,295</u>
Cash, cash equivalents, and restricted cash ending	<u>\$ 536,798</u>	<u>\$ 2,967,154</u>	<u>\$ 39,887</u>	<u>\$ 3,543,839</u>	<u>\$ 3,970,295</u>
Presented in the financial statements as:					
Cash and cash equivalents	\$ 536,798	\$ 1,973,424	\$ 39,887	\$ 2,550,109	\$ 2,982,523
Restricted cash	-	993,730	-	993,730	987,772
Total cash, cash equivalents, and restricted cash	<u>\$ 536,798</u>	<u>\$ 2,967,154</u>	<u>\$ 39,887</u>	<u>\$ 3,543,839</u>	<u>\$ 3,970,295</u>

NORTH LOGAN CITY
Statement of Cash Flows
Proprietary Funds

Continued

	Water	Sewer	Storm water	Total 2025	Memorandum 2024
Reconciliation of operating income to net cash flows from operating activities:					
Operating income	\$ 585,669	\$ 59,741	\$ 37,685	\$ 683,095	\$ 380,085
Adjustments to reconcile net income to net cash provided by operating activities:					
Impact fees	376,366	133,583	-	509,949	197,993
Depreciation	384,092	289,070	60,927	734,089	712,466
Amortization	4,565	10,238	-	14,803	-
Changes in assets and liabilities:					
Decrease (increase) in receivables	(24,969)	(11,875)	(3,022)	(39,866)	16,338
Decrease (increase) in deferred outflows	850	541	154	1,545	(20,553)
Increase (decrease) in accruals	558,586	99,398	(3,983)	654,001	(488,237)
Increase (decrease) in deposits	(25,370)	(1,200)	-	(26,570)	8,850
Increase (decrease) in pension liability	9,660	6,147	1,757	17,564	-
Increase (decrease) in deferred inflows	(98)	(62)	(18)	(178)	(393)
Miscellaneous expenses and transfers	-	-	-	-	77,000
Net cash flows from operating activities	<u>\$ 1,869,351</u>	<u>\$ 585,581</u>	<u>\$ 93,500</u>	<u>\$ 2,548,432</u>	<u>\$ 883,549</u>
Non-cash transactions:					
Capital contributions	<u>\$ 282,300</u>	<u>\$ 155,280</u>	<u>\$ -</u>	<u>\$ 437,580</u>	<u>\$ -</u>
Assets purchased through trade in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,300</u>	<u>\$ 32,300</u>	<u>\$ -</u>
Right-of-use assets purchased through lease liabilities	<u>\$ 30,430</u>	<u>\$ 68,257</u>	<u>\$ -</u>	<u>\$ 98,687</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

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NORTH LOGAN CITY
Notes to the Financial Statements

For the Year Ended June 30, 2025

1. STRUCTURE

North Logan City (“City”) was incorporated in 1934 as a political subdivision of the State of Utah. The City operates under the traditional form of government (i.e., a governing body consisting of a mayor and five council members, with the mayor voting only to break a tie). The mayor appoints the planning commission, library board, and other committees with the consent of the City Council.

Police services for the City are provided by North Park Police Agency, with the City and Hyde Park each paying a monthly share based on an agreed-upon formula. North Park Police Agency was created in August 2015 and is legally separate from the City.

Solid waste collection is provided by the Cache County Service Area. The City is billed on a monthly basis for this service along with the county dispatch fee, which the city then bills to its utility customers. The City contracts with Logan City for its sewage treatment and is billed monthly based on total flow. The City charges its utility customers for these services and pretreatment costs are also charged to businesses based on Logan City billings.

Library service is funded primarily by a dedicated property tax. State law requires that a library board set operational policies and recommend the budget when a dedicated property tax is used. Friends of the Library was set up as a separate organization to raise additional funds and seek outside grants to supplement the dedicated property tax. Friends of the Library provides funds to the City for library use. The Thorne Endowment provided \$310,739 in library funding for the year ended June 30, 2025.

Water, sewer, and storm water services are provided by enterprise funds.

Public safety fees are charged to residents to support the cost of providing services.

Facilities maintenance for all public buildings is performed by the facilities department and is allocated to the various departments on a monthly basis determined by the square footage occupied. Parks maintenance, storm drain cleaning, and water treatment maintenance are also performed by facilities department employees, but are tracked separately.

The streets department handles street maintenance, sweeping, and snow removal.

A staff planner provides input to the planning commission and handles economic development and the city administrative staff handles all accounting, utility billing, and clerical functions.

Protective Inspection performs plan reviews, building inspections, and engineering for the City.

A recreation director coordinates recreational programs and events sponsored by the City.

NORTH LOGAN CITY

Notes to the Financial Statements

Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Model

The City complies with accounting principles generally accepted in the United States of America applicable to governmental units (US GAAP) as well as all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Financial Reporting Entity

The financial statements of the City consist only of the funds of the City. The City established a redevelopment agency (RDA) pursuant to Utah Code and designated the mayor and the city council as the RDA board. The RDA is a discretely presented component unit of the city.

The Local Building Authority of North Logan City (LBA) was established to finance and construct municipal buildings that are then leased to the City. The LBA is governed by a five-member board of trustees composed of the Municipal Council. Although it is a legally separate entity from the City, the LBA is reported as a discretely presented component unit of the City because of the City's ability to impose its will upon the operations of the LBA. Separate financial statements are not issued for the LBA.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the City. Interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely primarily on fees and charges for support.

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

Fund financial statements are provided for both governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Fund Accounting/Basis of Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures (or expenses), as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The City applies expenses for restricted resources first when both restricted and unrestricted funds are available.

The General Fund is the major operating fund of the City. It accounts for all financial resources not required to be accounted for in another fund. All governmental funds use the modified accrual basis of accounting, which recognizes revenues when they become both measurable and available.

“Measurable” means that the amount of the transaction can be determined and “available” means that the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers amounts collected within 60 days after year end to be available. Under this method of accounting, expenditures are recognized when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt, which is recognized when due.

Special revenue funds follow the same principles as the General Fund, but account for legally restricted revenues such as dedicated property tax. When the special revenues cease, the fund is closed to the fund responsible for continuing operations. The Library, RDA, LBA, and Public Safety Funds are classified as major special revenue funds.

Capital projects funds account for the construction of assets funded by bonds, or for the accumulation of funds to replace major equipment.

The LBA fund is considered a discretely presented component unit of the City and is reported as a special revenue fund which accounts for leased revenue proceeds for building construction and long-term debt payment remittance on related debt.

Enterprise funds are used to account for operations that are financed and operated like a private sector business, where the governing body intends to finance the costs of providing services to the general public through user charges. The accrual basis of accounting is used (i.e., revenues are recognized when earned; expenses are recognized when incurred).

Only the current portion of long-term liabilities is included in governmental funds. The purchase of fixed assets is recorded in governmental funds, so no depreciation appears on the fund financial statements. GASB 34 requires the capitalization of roads, bridges, and sidewalks (infrastructure), for the government-wide financial statements.

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Fund Accounting/Basis of Accounting – *continued*

All fixed assets greater than the City's capitalization policy of \$3,000 are valued at historical cost, except donated assets, which are valued at estimated fair market value on the date donated (primarily street and sidewalk improvements and water and sewer lines donated by developers).

All enterprise funds are accounted for on a cost of services, or "capital maintenance" measurement focus. This means that long-term assets and debts are included on the enterprise fund balance sheets.

Depreciation is calculated on a straight-line basis. When assets are transferred, all depreciation is charged to the department receiving the asset. Estimated useful lives are as follows:

Sewer and water systems	50 years
Roads	20 years
Buildings and improvements	10-50 years
Equipment	3-20 years

Annual budgets are adopted by the City council on or before June 30 for the following fiscal year. Budgets may be increased by resolution of the City council at any time during the fiscal year following a public hearing.

Property taxes are collected by Cache County and remitted monthly. Real property taxes are due and payable on November 30 of each year. Personal property taxes are collected and remitted to the City monthly.

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are externally imposed due to state or federal laws or conditions issued by grantors or creditors. Committed fund balance represents the amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City council. Assigned fund balance is constrained by the City council's intent to be used for specific purposes. Unassigned fund balance constitutes the residual balances in the General Fund not classified as restricted, committed, or assigned. Of the unrestricted resources, committed resources will be used first, followed by assigned resources, and then unassigned resources.

For the purposes of the Statement of Cash Flows, the business-type activities consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Fund Accounting/Basis of Accounting – *continued*

Interfund transfers represent flows of cash or other assets without a requirement for repayment. Interfund transfers are classified as other financing sources and other financing uses. The City typically will transfer funds from the General Fund to the Capital Projects Fund for the future purchase of capital items. Other transfers between funds will also reflect activity for capital projects. Interfund payable and receivable balances reflect the amounts of temporary resources used between funds. These amounts are due to covering amounts of negative pooled cash and are all current and shown in the liability section as interfund payable/receivable.

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

Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental funds balance sheet and the government-wide Statement of Net Position

The Governmental Funds Balance Sheet includes reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide Statement of Net Position. These differences primarily result from the long term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental funds type balance sheets.

Capital related items:

When capital assets (property, plant, & equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position included those capital assets among the assets of the City as a whole.

Cost of capital assets	\$ 62,695,935
Accumulated depreciation	(24,263,810)
	<u>\$ 38,432,125</u>

Financing lease liabilities and right-of-use assets:

Financing lease related assets and liabilities were not due and payable in the current period and therefore were not reported in the governmental fund financial statements.

Right-of-use assets - vehicles	\$ 247,987
Lease liabilities - vehicles	(209,928)
	<u>\$ 38,059</u>

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Reconciliation of government-wide and fund financial statements – *continued*

Long-term liabilities:

Long-term liabilities were not due and payable in the current period and therefore were not reported in the governmental fund financial statements.

Principal portion of notes payable	\$ (4,966,487)
Accrued interest	(42,910)
Compensated absences	(195,279)
	<u>\$ (5,204,676)</u>

Pensions:

Pension related assets, liabilities, deferred inflows of resources and deferred outflows of resources were not due and payable in the current period and therefore were not reported in the governmental fund financial statements.

Net pension liability	\$ (269,385)
Deferred outflows of resources - pension	377,267
Deferred inflows of resources - pension	(5,480)
	<u>\$ 102,402</u>

B. Explanation of differences between governmental fund operating statements and the Statement of Net Activities.

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures while the government-wide Statement of Activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the net difference, the elements of this difference were as follows:

Capital outlay	\$ 10,434,119
Contributed capital	1,326,764
Proceeds on disposal of assets	(608,448)
Gain on disposal of assets	530,122
Depreciation expense	(1,569,750)
	<u>\$ 10,112,807</u>

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Reconciliation of government-wide and fund financial statements – *continued*

B. *(continued)*

The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. Interest expense and compensated absences are recognized as expenditures in the governmental funds when they are due. In the Statement of Activities, interest expense and compensated absences are recognized as they accrue, regardless of when they are due. The net effect of these differences in the treatment of bonds and related items is as follows:

Repayment of notes payable	\$ 349,663
Change in accrued interest	3,941
Change in accrued compensated absences	1,667
	<u>\$ 355,271</u>

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports 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 or periods and will not be recognized as an outflow of resources (expense/ expenditure) until then. *Deferred outflows of resources related to pensions* includes a) net difference between projected and actual earnings on pension plan investments and b) City contributions subsequent to the measurement date of December 31, 2024.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period or periods and will not be recognized as an inflow of resources (revenue) until that time. The City reported two of these items. Property taxes are reported as deferred inflows of resources since they are recognized as receivables before the period for which the taxes are levied. Deferred inflows of resources related to pensions includes a) differences between expected and actual experience and b) changes of assumptions in the measurement of the net pension liability/asset.

NORTH LOGAN CITY

Notes to the Financial Statements

Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Pensions

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

3. CASH & INVESTMENTS

The City considers cash and cash equivalents in proprietary funds to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Utah Public Treasurers' Investment Fund (PTIF).

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

Deposits

Deposits - Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City follows the requirements of the Utah Money Management Act (Utah Code, Title 51, Chapter 7, the "Act") in handling its depository and investing transactions. The City considers its actions to be sufficient for adequate protection of its uninsured bank deposits. City funds are deposited in qualified depositories as defined by the Act. The City does not have a deposit policy for custodial credit risk. As of June 30, 2025, \$603,290 of the local government's bank balances of \$853,290 was uninsured and uncollateralized. No deposits are collateralized, nor are they required to be by state statute.

Investments

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

3. CASH & INVESTMENTS – *continued*

Investments – *continued*

The City follows the requirements of the Act in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

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

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

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

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

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

3. CASH & INVESTMENTS – *continued*

Investments – *continued*

Fair Value of Investments

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

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

At June 30, 2025, the City had the following recurring fair value measurements.

Investments by fair value level	6/30/2025	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Debt Securities				
Utah Public Treasurers' Investment	\$11,680,271	\$ -	\$ 11,680,271	\$ -
Total investments measured at fair value	<u>\$11,680,271</u>	<u>\$ -</u>	<u>\$ 11,680,271</u>	<u>\$ -</u>

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

- Utah Public Treasurers' Investment Fund: application of the June 30, 2025 fair value factor, as calculated by the Utah State Treasurer, to the District's average daily balance in the Fund;

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

3. CASH & INVESTMENTS – *continued*

Interest Rate Risk

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

As of June 30, 2025, the City's investments had the following maturities:

Investment Type	Fair Value	Investment Maturities (in years)		
		Less than 1	1-5	6-10
Debt Securities				
Utah Public Treasurers' Investment	\$11,680,271	\$ 11,680,271	\$ -	\$ -
Total investments measured at fair value	\$11,680,271	\$ 11,680,271	\$ -	\$ -

4. ACCOUNTS RECEIVABLE

The City had accounts receivable as of June 30, 2025, as follows:

Property tax	\$ 2,526,060
Sales tax	278,814
Sewer, net allowance of \$12,751	238,957
Garbage and dispatch fee, net allowance of \$6,164	115,509
Class C Road funds	127,976
Water, net allowance of \$11,883	222,688
Other receivables	31,048
Energy use tax	58,836
Storm water, net allowance of \$1,701	31,877
Total	<u>\$ 3,631,765</u>

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

5. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City's proprietary and governmental fund types for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Business-type activities					
Bonds and notes payable	\$ 310,219	\$ -	\$ 69,633	\$ 240,586	\$ 74,667
Compensated absences*	47,955	5,676	-	53,631	26,815
	<u>\$ 358,174</u>	<u>\$ 5,676</u>	<u>\$ 69,633</u>	<u>\$ 294,217</u>	<u>\$ 101,482</u>
Governmental activities					
Bonds and notes payable	\$ 5,316,150	\$ -	\$ 349,663	\$ 4,966,487	\$ 241,942
Compensated absences*	196,946	-	1,667	195,279	97,639
	<u>\$ 5,513,096</u>	<u>\$ -</u>	<u>\$ 351,330</u>	<u>\$ 5,161,766</u>	<u>\$ 339,581</u>

*The change in the compensated absences is presented as a net change

Long-term debt at June 30, 2025 consisted of the following:

	Principal	Due within one year
Sewer fund		
Note payable of \$467,217 due in annual installments of \$92,059 bearing interest of 7.0%, asset value \$467,217 with accumulated depreciation of \$194,674 and depreciation expenses of \$77,869.	\$ 240,586	\$ 74,667
RDA fund		
Developer notes payable for \$2,000,000 due as available from tax increment subsidies through fiscal year 2028.	61,087	61,087
LBA fund		
Lease revenue bonds payable of \$5,000,000 bearing interest of 2.5%. Principal payments ranging from \$115,000 - \$229,000 through April 2053.	4,672,389	118,000
General fund		
Note payable of \$329,250 due in annual installments of \$66,513 bearing interest of 8.4%, asset value \$329,250 with accumulated depreciation of \$82,312 and depreciation expenses of \$54,875.	218,314	48,158
Note payable of \$69,163 due in annual installments of \$15,681 bearing interest of 5.7%, asset value \$69,163 with accumulated depreciation of \$48,414 and depreciation expenses of \$13,833.	14,697	14,697
Total long-term bonds and notes	<u>\$ 5,207,073</u>	<u>\$ 316,609</u>

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

5. LONG-TERM DEBT – *continued*

In accordance with GASB 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, the City has reported separately below the debt obligations, including direct placements. Direct placements have terms negotiated directly with the investor or lender and are not offered for public sale. All bonds presented in the summary below are direct placement. The annual requirements for long-term debt outstanding as of June 30, 2025, were as follows:

June 30,	Principal due	Interest due
2026	\$ 316,609	\$ 153,906
2027	253,272	140,526
2028	266,450	127,322
2029	188,353	113,259
2030	130,000	104,925
2031-2035	699,000	474,300
2036-2040	791,000	382,400
2041-2045	895,000	278,475
2046-2050	1,012,000	160,900
2051-2055	655,389	33,775
Totals	<u>\$ 5,207,073</u>	<u>\$ 1,969,788</u>

Assets have been restricted and retained earnings reserved to meet bond sinking fund requirements. The City is materially in compliance with all significant bond requirements.

6. FINANCING LEASES AND RIGHT-OF-USE ASSETS

The following is a summary of the right-of-use assets and lease liabilities for the City for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Business-type activities					
Right-of-use assets	\$ -	\$ 98,687	\$ -	\$ 98,687	\$ -
Accumulated amortization	-	(14,803)	-	(14,803)	-
Lease liabilities - vehicles	-	(98,687)	22,494	(76,193)	17,160
	<u>\$ -</u>	<u>\$ (14,803)</u>	<u>\$ 22,494</u>	<u>\$ 7,691</u>	<u>\$ 17,160</u>
Governmental activities					
Right-of-use assets	\$ 89,106	\$ 271,905	\$ -	\$ 361,011	\$ -
Accumulated amortization	(36,173)	(76,851)	-	(113,024)	-
Lease liabilities - vehicles	(29,652)	(271,905)	91,629	(209,928)	47,282
	<u>\$ 23,281</u>	<u>\$ (76,851)</u>	<u>\$ 91,629</u>	<u>\$ 38,059</u>	<u>\$ 47,282</u>

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

6. FINANCING LEASES AND RIGHT-OF-USE ASSETS – *continued*

The City has various financing leases as of June 30, 2025 for equipment as outlined below:

Description	Balance 6/30/2025	Due within one year
General fund:		
Financing lease of \$37,826 (net of \$31,737 residual) for a vehicle. Due in annual installments of \$8,622 through October 2029, including interest of seven percent. As of June 30, 2025 the following values were included on the government-wide financial statements: right-of-use asset \$37,826; accumulated amortization \$5,674; amortization expense \$5,674.	\$ 29,204	\$ 6,578
Financing lease of \$37,826 (net of \$31,737 residual) for a vehicle. Due in annual installments of \$8,622 through October 2029, including interest of seven percent. As of June 30, 2025 the following values were included on the government-wide financial statements: right-of-use asset \$37,826; accumulated amortization \$5,674; amortization expense \$5,674.	29,204	6,578
Financing lease of \$37,826 (net of \$31,737 residual) for a vehicle. Due in annual installments of \$8,622 through October 2029, including interest of seven percent. As of June 30, 2025 the following values were included on the government-wide financial statements: right-of-use asset \$37,826; accumulated amortization \$5,674; amortization expense \$5,674.	29,204	6,578
Financing lease of \$37,826 (net of \$31,737 residual) for a vehicle. Due in annual installments of \$8,622 through October 2029, including interest of seven percent. As of June 30, 2025 the following values were included on the government-wide financial statements: right-of-use asset \$37,826; accumulated amortization \$5,674; amortization expense \$5,674.	29,204	6,578
Financing lease of \$30,430 (net of \$19,250 residual) for a vehicle. Due in annual installments of \$6,936 through October 2029, including interest of seven percent. As of June 30, 2025 the following values were included on the government-wide financial statements: right-of-use asset \$30,430; accumulated amortization \$4,565; amortization expense \$4,565.	23,494	5,291
Financing lease of \$90,169 (net of \$165,000 residual) for a compact track loader. Due in annual installments of \$20,553 through November 2029, including interest of seven percent. As of June 30, 2025 the following values were included on the government-wide financial statements: right-of-use asset \$90,169; accumulated amortization \$12,023; amortization expense \$12,023.	69,618	15,679
Financing lease of \$31,101 (net of \$85,000 residual) for a backhoe loader. Due in annual installments of \$11,100 through August 2025, including interest of seven percent. As of June 30, 2025 the following values were included on the government-wide financial statements: right-of-use asset \$31,101; accumulated amortization \$30,237; amortization expense \$10,367.	-	-
Financing lease of \$20,975 (net of \$45,500 residual) for a compact track loader. Due in annual installments of \$7,484 through April 2026, including interest of seven percent. As of June 30, 2025 the following values were included on the government-wide financial statements: right-of-use asset \$20,975; accumulated amortization \$15,731; amortization expense \$6,992.	-	-
Financing lease of \$37,030 (net of \$45,500 residual) for a mini excavator. Due in annual installments of \$13,215 through April 2026, including interest of seven percent. As of June 30, 2025 the following values were included on the government-wide financial statements: right-of-use asset \$37,030; accumulated amortization \$27,773; amortization expense \$12,343.	-	-
Total general fund	<u>\$ 209,928</u>	<u>\$ 47,282</u>

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

6. FINANCING LEASES AND RIGHT-OF-USE ASSETS – continued

Description	Balance 6/30/2025	Due within one year
Water fund:		
Financing lease of \$30,430 (net of \$19,250 residual) for a vehicle. Due in annual installments of \$6,936 through October 2029, including interest of seven percent. As of June 30, 2025 the following values were included on the government-wide financial statements: right-of-use asset \$30,430; accumulated amortization \$4,565; amortization expense \$4,565.	\$ 23,494	\$ 5,291
Total water fund	<u>\$ 23,494</u>	<u>\$ 5,291</u>
Sewer fund:		
Financing lease of \$30,430 (net of \$19,250 residual) for a vehicle. Due in annual installments of \$6,936 through October 2029, including interest of seven percent. As of June 30, 2025 the following values were included on the government-wide financial statements: right-of-use asset \$30,430; accumulated amortization \$4,565; amortization expense \$4,565.	\$ 23,494	\$ 5,291
Financing lease of \$37,826 (net of \$31,737 residual) for a vehicle. Due in annual installments of \$8,622 through October 2029, including interest of seven percent. As of June 30, 2025 the following values were included on the government-wide financial statements: right-of-use asset \$37,826; accumulated amortization \$5,674; amortization expense \$5,674.	29,204	6,578
Total sewer fund	<u>\$ 52,698</u>	<u>\$ 11,869</u>
Total financing lease liability	<u>\$ 286,120</u>	<u>\$ 64,442</u>

The future required lease requirements are as follows:

	Principal	Interest	Lease payment
2026	\$ 64,442	\$ 20,029	\$ 84,471
2027	68,953	15,518	84,471
2028	73,780	10,691	84,471
2029	78,945	5,526	84,471
	<u>\$ 286,120</u>	<u>\$ 51,764</u>	<u>\$ 337,884</u>

No impairment on the leases were noted as of June 30, 2025.

NORTH LOGAN CITY

Notes to the Financial Statements

Continued

7. PENSION PLANS

General Information about the Pension Plan

Plan description – eligible plan participants are provided with pensions through Utah Retirement Systems. Participation in Utah Retirement Systems are comprised of the following pension trust funds:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System); is a multiple-employer, cost sharing, public employee retirement system.
- Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer public employee retirement system.
- Firefighters Retirement System (Firefighters System) is a multiple-employer, cost sharing, 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.

Utah Retirement Systems (URS or 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 to Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102 or by visiting the website: www.urs.org/general/publications.

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

7. PENSION PLANS – *continued*

Summary of Benefits by System:

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

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
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
Firefighters 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 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter Employees 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% 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 URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

7. PENSION PLANS – *continued*

Contribution rates as of June 30, 2025 were as follows:

<u>Utah Retirement Systems</u>	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k)</u>
Noncontributory System			
15- Local Governmental Division Tier 1	N/A	16.97%	N/A
111 - Tier 2 DB Hybrid System	0.70%	15.19%	N/A
211 - Tier 2 401k Option	N/A	5.19%	10.00%
Public Safety System Noncontributory:			
75 - Other Division A with 4% COLA	N/A	35.21%	N/A
122 - Tier 2 DB Hybrid System	4.73%	26.49%	N/A
222 - Tier 2 401k Option	N/A	12.49%	14.00%
Firefighters Retirement System			
31- Other Division A	15.05%	1.61%	N/A
132 - Tier 2 DB Hybrid System	4.73%	14.08%	N/A
232 - Tier 2 401k Option	N/A	0.08%	14.00%

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

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

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory system	\$ 71,708	\$ 8
Tier 2 public employees system	159,209	7,288
Tier 2 DC only system	16,577	N/A
Total contributions	<u>\$ 247,494</u>	<u>\$ 7,296</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.

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

7. PENSION PLANS – *continued*

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

At June 30, 2025, the City reported a net pension asset of \$0 and a net pension liability of \$363,731.

	(Measurement Date): December 31, 2024			Proportionate	Change
	Net Pension	Net Pension	Proportionate	Share	(Decrease)
	Asset	Liability	Share	12/31/2023	
Noncontributory system	\$ -	\$ 232,085	0.0731871%	0.0734914%	-0.0003043%
Tier 2 public employees system	-	104,646	0.0350881%	0.0403014%	-0.0052133%
Total net pension asset/liability	\$ -	\$ 336,731			

The net pension asset and liability were 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, the City recognized pension expense of \$341,944.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 183,529	\$ 721
Changes in assumptions	54,148	11
Net difference between projected and actual earnings on pension plan investments	76,596	-
Changes in proportion and differences between contributions and proportionate share of contributions	35,047	6,119
Contributions subsequent to the measurement date	122,264	-
Total	\$ 471,584	\$ 6,851

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

7. PENSION PLANS – *continued*

As of June 30, 2025, \$122,264 was reported as deferred outflows of resources related to pensions resulting from contributions made by the City prior to 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,	Deferred Outflows (Inflows) of Resources
2025	\$ 156,871
2026	148,267
2027	(20,020)
2028	5,043
2029	23,693
Thereafter	28,616

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%
Salary increases	3.50-9.50%, average, including inflation
Investment rate of return	6.85%, 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.

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.

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

7. PENSION PLANS – *continued*

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

Asset class	Expected Return Arithmetic Basis		Long Term expected portfolio real rate of return
	Target Asset Allocation	Real Return Arithmetic Basis	
Equity securities	35%	7.01%	2.45%
Debt securities	20%	2.54%	0.51%
Real assets	18%	5.45%	0.98%
Private equity	12%	10.05%	1.21%
Absolute return	15%	4.36%	0.65%
Cash and cash equivalents	0%	0.49%	0.00%
Totals	100%		5.80%
Inflation			2.50%
Expected arithmetic nominal return			8.30%

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

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

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

7. 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 one percentage-point lower (5.85 percent) or one-percentage-point higher (7.85 percent) than the current rate:

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory system	\$ 981,528	\$ 232,085	\$ (396,456)
Tier 2 public employees system	312,553	104,646	(57,085)
Total	<u>\$ 1,294,081</u>	<u>\$ 336,731</u>	<u>\$ (453,541)</u>

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

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 for 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 City 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 30, were as follows:

	2025	2024	2023
401(k) Plan			
Employer contributions	\$ 68,010	\$ 57,795	\$ 49,702
Employee contributions	36,811	29,494	32,723
Roth IRA Plan			
Employee contributions	20,415	9,525	4,385

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

8. CONTINGENCIES

The City is exposed to various risks of loss related to torts; errors and omissions; violation of civil rights; theft of, damage to, and destruction of assets; and natural disasters. These risks are covered by the City's participation in the State risk management system for municipalities. This is a pooled arrangement where municipalities pay experienced rated annual premiums which are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool also insures against excess losses to preserve the capital base. Insurance coverage by major category of risk has remained relatively constant or increased as compared to the prior fiscal year. Insurance settlements have not exceeded insurance coverage for the past three years.

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

9. CAPITAL ASSETS

Capital asset changes occurring for the year ended June 30, 2025 were as follows:

	July 1, 2024	Additions	Deletions	June 30, 2025
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 7,346,701	\$ 362,231	\$ 38,400	\$ 7,670,532
Construction in progress	634,996	8,095,036	-	8,730,032
Total capital assets not being depreciated	7,981,697	8,457,267	38,400	16,400,564
Capital assets being depreciated:				
Distribution and collection systems	21,301,442	2,741,343	-	24,042,785
Buildings and equipment	21,907,021	579,324	233,759	22,252,586
Total capital assets being depreciated	43,208,463	3,320,667	233,759	46,295,371
Accumulated depreciation	(22,870,842)	(1,569,750)	(176,782)	(24,263,810)
Total capital assets being depreciated, net	20,337,621	1,750,917	56,977	22,031,561
Total governmental activities capital assets, net	<u>\$ 28,319,318</u>	<u>\$ 10,208,184</u>	<u>\$ 95,377</u>	<u>\$ 38,432,125</u>
Business-type activities:				
Capital assets not being depreciated:				
Land and water rights	\$ 1,944,510	\$ -	\$ -	\$ 1,944,510
Construction in progress	3,242,686	1,937,677	-	5,180,363
Total capital assets not being depreciated	5,187,196	1,937,677	-	7,124,873
Capital assets being depreciated:				
Distribution and collection systems	24,387,254	1,396,242	-	25,783,496
Buildings and equipment	2,283,571	75,039	62,250	2,296,360
Total capital assets being depreciated	26,670,825	1,471,281	62,250	28,079,856
Accumulated depreciation	(11,495,501)	(734,089)	(29,950)	(12,199,640)
Total capital assets being depreciated, net	15,175,324	737,192	32,300	15,880,216
Total business-type activities capital assets, net	<u>\$ 20,362,520</u>	<u>\$ 2,674,869</u>	<u>\$ 32,300</u>	<u>\$ 23,005,089</u>

NORTH LOGAN CITY
Notes to the Financial Statements

Continued

9. CAPITAL ASSETS – *continued*

Depreciation expense was charged to governmental functions as follows:

General government	\$ 299,147
Public safety	45,184
Streets	797,068
Parks & recreation	428,351
Total depreciation expense	<u>\$ 1,569,750</u>

10. RELATED PARTY TRANSACTIONS

The City receives police services from North Park Police Agency (NPPA) under the terms of an interlocal agreement with Hyde Park City. Two council members, the mayor, and a citizen of the City serve on the governing body of NPPA. Under the interlocal agreement, each city provides funding to NPPA based on an agreed-upon formula. Total funding provided by the City for the year ended June 30, 2025 amounted to \$2,088,396.

11. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund transfers as of June 30, 2025 is as follows:

Purpose	Amount	Transfer In	Transfer Out
Capital purchases	\$ 275,000	Capital projects fund	General fund
Building	49,005	Local Building Authority	General fund

12. COMPENSATED ABSENCES

Most employees earn paid vacation and sick leave days each month based on length of service. If sick leave is not used during the calendar year, up to 32 hours can be converted to vacation time at December 31. Vacation hours in excess of two years' earnings not used before November 1 are forfeited. All vacation hours and all compensatory time hours are paid out upon termination. Only 10 percent of sick leave hours are paid out upon termination (unless the employee retires through the Utah Retirement System and has worked for the City for a required amount of time). The liability for compensated absences is recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability is recognized if the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or paid out upon termination or retirement. The liability for these compensated absences is recorded as long-term debt in the government-wide statement of governmental activities and as accrued liabilities in the business-type activities. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds do not report a liability for compensated absences while proprietary funds report the liability as it is incurred.

NORTH LOGAN CITY

Notes to the Financial Statements

Continued

13. MEMORANDUM TOTALS

Total columns on the financial statements are captioned “memorandum” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Such data is also not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. Certain reclassifications have taken place in the prior year to conform to current year presentation.

14. CHANGE IN ACCOUNTING PRINCIPLES

In 2025 the City adopted *GASB Statement No. 101– Compensated Absences*, which introduces a new model for recording obligations that arise from compensated absences. The new model focuses on recognizing liabilities for unused leave when it’s more likely than not to be used or paid out. This was effective for the City as of July 1, 2024, and had no material impact on the City’s financial statements.

The City also adopted *GASB Statement No. 102 – Certain Risk Disclosures*. This Statement establishes requirements to disclose certain risks faced by governments and defines concentrations and constraints. Risk disclosure under the new standard will provide timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make the City vulnerable to a substantial impact. This was effective for the city as of July 1, 2024, and had no material impact on the city’s financial statements.

15. SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through November 10, 2025, the date the financial statements were available to be issued.

In October 2025, the City issued water revenue bonds with the Division of Drinking Water for \$8,030,000 to be used for a well, water tanks and transmission line.

REQUIRED SUPPLEMENTARY INFORMATION

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NORTH LOGAN CITY
Schedule of the Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

For the Year Ended June 30, 2025

	As of fiscal year ended June 30,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee 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 its covered-employee payroll
Noncontributory system	2016	0.1186791%	\$ 671,544	\$ 1,005,100	66.81%	87.80%
	2017	0.1021861%	656,160	879,705	74.59%	87.30%
	2018	0.0900675%	394,613	728,102	54.20%	91.90%
	2019	0.0691193%	508,975	495,743	102.67%	87.00%
	2020	0.0599647%	225,998	354,339	63.78%	93.70%
	2021	0.0563291%	28,894	306,069	9.44%	99.20%
	2022	0.0631860%	(361,874)	333,901	-108.38%	108.70%
	2023	0.0677583%	116,054	356,720	32.53%	97.50%
	2024	0.0734914%	170,468	429,421	39.70%	96.90%
	2025	0.0731871%	232,085	435,522	53.29%	96.02%
Contributory system	2016	0.1931606%	\$ 135,764	\$ 82,303	164.96%	85.70%
	2017	0.3581704%	117,520	85,939	136.75%	92.90%
	2018	0.2989745%	24,329	60,667	40.10%	98.20%
Public safety system	2016	0.1760763%	\$ 315,397	\$ 398,523	79.14%	87.10%
	2017	0.0599182%	121,591	135,542	89.71%	86.50%
Firefighters system	2016	0.4175805%	\$ (7,563)	\$ 112,219	-6.74%	101.00%
	2017	0.3950045%	(3,114)	111,064	-2.80%	100.40%
	2018	0.5072530%	(31,681)	148,382	-21.35%	103.00%
	2019	0.4991053%	64,807	154,826	41.86%	94.30%
	2020	0.5643873%	(69,995)	180,703	-38.73%	105.00%
	2021	0.2683084%	(75,024)	87,536	-85.71%	110.50%

NORTH LOGAN CITY
Schedule of the Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

Continued

	As of fiscal year ended June 30,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee 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 its covered-employee payroll
Tier 2 public employees system*	2016	0.0240126%	\$ (52)	\$ 155,141	-0.03%	100.20%
	2017	0.0236957%	2,643	194,325	1.36%	95.10%
	2018	0.0322191%	2,841	314,874	0.90%	97.40%
	2019	0.0394013%	16,875	459,943	3.67%	90.80%
	2020	0.0463781%	10,431	644,353	1.62%	96.50%
	2021	0.0443642%	6,381	709,522	0.90%	98.30%
	2022	0.0466708%	(19,753)	865,550	-2.28%	103.80%
	2023	0.0450813%	49,089	982,830	4.99%	92.30%
	2024	0.0403014%	78,442	1,041,932	7.53%	89.58%
	2025	0.0350881%	104,646	1,039,632	10.07%	87.44%
Tier 2 public safety and firefighter system*	2016	0.0600659%	\$ (878)	\$ 35,740	-2.46%	110.70%
	2017	0.0168290%	(146)	13,904	-1.05%	103.60%
	2018	0.0000000%	-	-	0.00%	103.00%
	2019	0.0338694%	849	44,680	1.90%	95.60%
	2020	0.0386502%	3,636	63,745	5.70%	89.60%
	2021	0.0110529%	990	24,249	4.09%	93.10%

*in accordance with paragraph 81.a of GASB 68, employers need to disclose a 10-year history of their proportionate share of the net pension liability (asset) in their RSI.

NORTH LOGAN CITY
Schedule of Contributions
Last 10 Fiscal Years

For the Year Ended June 30, 2025

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory system	2016	\$ 172,997	\$ 172,997	\$ -	\$ 941,635	18.37%
	2017	158,154	158,154	-	861,075	18.37%
	2018	107,796	107,796	-	590,586	18.25%
	2019	76,525	76,525	-	415,079	18.44%
	2020	58,257	58,257	-	315,413	18.47%
	2021	57,460	57,460	-	311,099	18.47%
	2022	61,515	61,515	-	333,303	18.46%
	2023	71,935	71,935	-	401,506	17.92%
	2024	80,851	80,851	-	450,898	17.93%
	2025	71,708	71,708	-	422,706	16.96%
Contributory system	2016	\$ 12,000	\$ 12,000	\$ -	\$ 82,989	14.46%
	2017	15,179	15,179	-	104,974	14.46%
Public safety system	2016	\$ 73,810	\$ 73,810	\$ -	\$ 341,034	21.64%
Firefighters system	2016	\$ 4,346	\$ 4,346	\$ -	\$ 108,921	3.99%
	2017	5,161	5,161	-	132,230	3.90%
	2018	6,034	6,034	-	153,653	3.93%
	2019	7,171	7,171	-	156,430	4.58%
	2020	8,460	8,460	-	183,524	4.61%
	2021	286	286	-	6,203	4.61%

NORTH LOGAN CITY
Schedule of Contributions
Last 10 Fiscal Years

Continued

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Tier 2 public employees system*	2016	\$ 24,420	\$ 24,420	\$ -	\$ 163,781	14.91%
	2017	36,337	36,337	-	243,710	14.91%
	2018	60,915	60,915	-	403,339	15.10%
	2019	83,538	83,538	-	537,566	15.54%
	2020	111,224	111,224	-	710,246	15.66%
	2021	116,146	116,146	-	735,101	15.80%
	2022	150,254	150,254	-	935,636	16.06%
	2023	165,940	165,940	-	1,036,479	16.01%
	2024	167,709	167,709	-	1,047,526	16.01%
	2025	159,209	159,209	-	1,048,118	15.19%
Tier 2 public safety and firefighter system*	2016	\$ 7,733	\$ 7,733	\$ -	\$ 32,685	23.66%
	2017	-	-	-	-	0.00%
	2018	814	814	-	7,519	10.83%
	2019	8,932	8,932	-	78,769	11.34%
	2020	5,248	5,248	-	46,116	11.38%
	2021	205	205	-	1,804	11.36%
Tier 2 public employees DC only system*	2022	\$ 976	\$ 976	\$ -	\$ 14,591	6.69%
	2023	10,948	10,948	-	176,866	6.19%
	2024	14,066	14,066	-	227,239	6.19%
	2025	16,577	16,577	-	319,400	5.19%
Tier 2 public safety and firefighter DC only system*	2020	\$ 34	\$ 34	\$ -	\$ 42,233	0.08%
	2021	1	1	-	1,581	0.06%

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

**Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered employee payroll may be different than the board-certified rate due to rounding and other administrative practices.

NORTH LOGAN CITY
Notes to the Required Supplementary Information

For the Year Ended June 30, 2025

1. CHANGES IN ASSUMPTIONS

June 30, 2025 – There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

June 30, 2024 – Changes include updates to the mortality improvement assumption, salary increase assumption, assumed retirement rates, and assumed termination rates, as recommended with the January 1, 2023 actuarial experience study.

June 30, 2023 – There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

June 30, 2022 – The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021 actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in the Total Pension Liability, which is about 1.3% of the Total Pension Liability as of December 31, 2020 for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be reviewed in the year 2023.

June 30, 2021 – There were a number of demographic assumptions (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the Total Pension Liability, which is about 0.50% of the Total Pension Liability as of December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be assessed online at newsroom.urs.org under the “Retirement Office” column using the “Reports and States” tab.

June 30, 2020 – As a result of the passage of SB 129, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the Tier 1 Public Safety and Firefighters Systems, except for a 10 percent load at first eligibility for unreduced retirement prior to age 65.

June 30, 2019 – The assumptions and methods used to calculate the Total Pension Liability remain unchanged from the prior year.

June 30, 2018 – As a result of an experience study conducted as of December 31, 2016, the Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial accrued liability) include a decrease in the investment return assumption from 7.2 percent to 6.95 percent, a reduction in the price inflation assumption from 2.6 percent to 2.5 percent (which also resulted in a corresponding decrease in the cost-of-living-adjustment assumption for the funds with a 4.00 percent annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS’s actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial accrued liability).

June 30, 2017 and 2016 – The following assumption changes were adopted from the most recent actuarial experience study. There was a decrease in the wage inflation assumption for all employee groups from 3.75 percent to 3.5 percent. Also, there was a modification to the rate of salary increases for most groups. The payroll growth assumption was decreased from 3.5 percent to 3.25 percent. There was an improvement in the post-retirement mortality assumption for female educators and minor adjustments to the pre-retirement mortality assumption. There were additional changes to certain demographic assumptions that generally resulted in: (1) more members are anticipated to terminate employment prior to retirement, (2) slightly fewer members are expected to become disabled, and (3) members are expected to retire at a slightly later age.

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OTHER REPORTS

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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**

To the Honorable Mayor and City Council of
North Logan City, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of North Logan City (“City”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated November 10, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing 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 City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying Schedule of Findings and Recommendations as item 2025-01.

The City's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the Schedule of Findings and Recommendations. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Richey, May & Co., LLP

North Logan, Utah
November 10, 2025

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

To the Honorable Mayor and City Council of
North Logan City, Utah

Report On Compliance

We have audited North Logan City (“City”)’s compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, 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
- Restricted Taxes and Other Related Restricted Revenue
- Fraud Risk Assessment
- Governmental Fees
- Impact Fees
- Utah Retirement Systems
- Crime Insurance for Public Treasurers

Opinion on Compliance

In our opinion, the City 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 the City 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 the City’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, and provisions of contracts or grant agreements applicable to the City'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 the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *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 for 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 the City'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 the City'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 City'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 the City'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 an instance of noncompliance, which is required to be reported in accordance with the Guide and which is described in the accompanying Schedule of Findings and Recommendations as item 2025-01. Our opinion on compliance is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our audit described in the accompanying Schedule of Findings and Recommendations. The City'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.

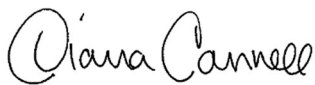
Report On Internal Control over Compliance

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 and deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, 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.

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.



Richey, May & Co., LLP

North Logan, Utah
November 10, 2025

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SCHEDULE OF FINDINGS AND RECOMMENDATIONS

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NORTH LOGAN CITY
Schedule of Findings and Recommendations
Current Year

For the Year Ended June 30, 2025

2025-01: State Compliance – Fraud Risk Assessment

Criteria: City management is responsible to determine that internal controls ensure that compliance requirements described in the *State Compliance Audit Guide* are met.

Condition: The City completed the annual Fraud Risk Assessment and submitted to the City Council but was unable to provide sufficient documentation to support its risk assessment.

Cause: City management was not aware of the requirement to provide sufficient documentation to support its risk assessment.

Effect: The City was not in compliance with State regulations on Fraud Risk Assessment.

Recommendation: We recommend that the City review the requirements related to Fraud Risk Assessment and to retain sufficient documentation to support its risk assessment.

Views of Responsible Officials: The audit committee has been informal and has reviewed audit findings and data security, and determines what actions needs to be taken. A formal audit committee will be organized by resolution, including audit committee guidelines. Governing body members will submit documentation showing completion of “Introductory Training for Municipal Officials” at least once during each of their terms. Members of the audit committee team have taken informal training, but at least one member will take and document at least 40 hours of formal training each year.

NORTH LOGAN CITY
Schedule of Findings and Recommendations
Prior Year

For the Year Ended June 30, 2025

2024-01: State Compliance – Justice Court

Criteria: The City and its management are responsible to determine that internal controls ensure that compliance requirements described in the *State Compliance Audit Guide* are met.

Condition: Court Cost Transactions are restricted to investigator fees and specially incurred costs. During the current year testing, we noted one transaction that was a fine, but miscoded as a Court Cost.

Cause: The City miscoded the transaction.

Effect: The City was not in compliance with State regulations and did not pay the required amount of surcharge to the State.

Recommendation: We recommend that City monitor all Court Costs charged and review for correct coding and submit the surcharge for this fine to the State.

Views of Responsible Officials: Monthly, the City Recorder and City Treasurer will request and review the Court Revenue Detail Report and the Court Trust Account Summary Report and review all Court Costs charged. Please note: North Logan City has passed a resolution for the dissolution of the North Logan Justice Court and has already submitted documentation to the Utah Legislature, and anticipates the dissolution of the North Logan Justice Court to be finalized approximately April 2025

Status: The Justice Court for North Logan City closed on April 9, 2025.