



**MANTI CITY CORPORATION
MANTI, UTAH
BASIC FINANCIAL STATEMENTS**

For The Year Ended June 30, 2025

Together with Independent Auditor's Report

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Independent Auditor's Report

Honorable Mayor and
Members of City Council
Manti City Corporation
Manti, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Manti City, Utah, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Manti City, Utah'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, each major fund, and the aggregate remaining fund information of Manti City, Utah, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Manti City, Utah's 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 Manti City, Utah's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 Manti City, Utah'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 Manti City, Utah'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 Management's Discussion and Analysis and the other Required Supplementary Information, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Manti City, Utah's basic financial statements. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 19, 2025 on our consideration of Manti City, Utah'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 Manti City, Utah's internal control over financial reporting and compliance.

HintonBurdick, PLLC

HintonBurdick, PLLC

St. George, UT

December 19, 2025

MANTI CITY CORPORATION
MANAGEMENT’S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2025

MANAGEMENT’S DISCUSSION AND ANALYSIS

Our discussion and analysis of Manti City Corporation’s financial performance provides an overview of the City’s financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the City’s basic financial statements, which begin on page 11.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City’s finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City’s operations in more detail than the government-wide statements by providing information about the City’s most significant funds.

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the City’s finances is “Is the City as a whole better off or worse off as a result of the year’s activities?” The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the method of accounting used by most private-sector companies. Accrual of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City’s *net positions* and changes in it. You can think of the City’s net position as the difference between assets, what the citizens own, and liabilities, what the citizens owe, as one way to measure the City’s financial health, or *financial position*. Over time, *increases or decreases* in the City’s net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City’s property tax base, income tax base, and the condition of the City’s capital assets (roads, buildings, water and sewer lines) to assess the *overall health* of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

Governmental activities: most of the City’s basic services are reported here, including the police, fire, street maintenance, parks and recreation, and general administration. Sales taxes, property taxes, and state and federal grants finance most of these activities.

Business-type activities: The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City’s water, sewer, and electrical systems are reported here.

Financial Highlights

Total Assets and Deferred Outflows	\$ 21,442,138
Total Liabilities and Deferred Inflows	\$ 6,323,537
Net Position	\$ 15,118,599
Governmental Funds Unrestricted Net Position	\$ 835,323
Business-type Funds Unrestricted Net Position	\$ 4,986,466

MANTI CITY CORPORATION
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2025

REPORTING THE CITY’S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law. However, the City council establishes other funds to help it control and manage money for particular purposes, (ex. Capital Improvements Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (ex. Grants received from the U.S. Department of Housing and Urban Development). The City’s two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental funds: most of the City’s basic services are reported in governmental funds, which focus on how money flows into and out of those 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 all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City’s general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent 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 with the fund financial statements.

Proprietary funds: when the City charges customers for the full cost of the services it provides whether to outside customers or to other units of the City, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City’s enterprise funds (a component of business-type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

MANTI CITY CORPORATION
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2025

The City’s total revenues changed as noted below.

Prior year Total Revenues	\$ 6,732,933
Current year Total Revenues	\$ 7,393,526
Percentage change	9.81%

The total cost of all programs and services changed as noted below.

Prior year Total Program Costs	\$ 5,804,669
Current year Total Program Costs	\$ 6,124,166
Percentage change	5.50%

Our analysis below separately considers the operations of governmental and business type-activities.

Manti City Corporation’s Changes in Net Position

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	\$ 958,831	\$ 948,867	\$ 3,956,922	\$ 3,657,710	\$ 4,915,753	\$ 4,606,577
Operating grants and contributions	561,575	611,438	-	-	561,575	611,438
Capital grants and contributions	99,613	133,068	234,015	49,529	333,628	182,597
General revenues:						
Property taxes	214,331	215,702	-	-	214,331	215,702
Other taxes	704,171	698,560	-	-	704,171	698,560
Other general revenues	542,534	316,183	121,534	101,876	664,068	418,059
Total revenues	<u>3,081,055</u>	<u>2,923,818</u>	<u>4,312,471</u>	<u>3,809,115</u>	<u>7,393,526</u>	<u>6,732,933</u>
Program expenses:						
General government	937,192	958,529	-	-	937,192	958,529
Public safety	473,552	510,684	-	-	473,552	510,684
Public health	8,529	10,455	-	-	8,529	10,455
Highway and public improvements	716,514	417,200	-	-	716,514	417,200
Parks and recreation	1,100,277	1,075,929	-	-	1,100,277	1,075,929
Interest on long term debt	18,691	22,310	-	-	18,691	22,310
Water	-	-	523,711	724,986	523,711	724,986
Sewer	-	-	320,609	319,423	320,609	319,423
Electric	-	-	2,025,091	1,765,153	2,025,091	1,765,153
Total expenses	<u>3,254,755</u>	<u>2,995,107</u>	<u>2,869,411</u>	<u>2,809,562</u>	<u>6,124,166</u>	<u>5,804,669</u>
Increase (decrease) in net position before transfers	(173,700)	(71,289)	1,443,060	999,553	1,269,360	928,264
Transfers in (out)	<u>250,000</u>	<u>325,000</u>	<u>(250,000)</u>	<u>(325,000)</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	<u>\$ 76,300</u>	<u>\$ 253,711</u>	<u>\$ 1,193,060</u>	<u>\$ 674,553</u>	<u>\$ 1,269,360</u>	<u>\$ 928,264</u>

MANTI CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2025

Governmental Activities

The City's governmental activities revenues changed as noted below.

Prior year governmental activities Total Revenues	\$	2,923,818
Current year governmental activities Total Revenues	\$	3,081,055
Percentage change		5.38%

The governmental activities cost of programs and services changed as noted below.

Prior year governmental Total Program Costs	\$	2,995,107
Current year governmental Total Program Costs	\$	3,254,755
Percentage change		8.67%

Business-type Activities

The City's business-type activities revenues changed as noted below.

Prior year business-type activities Total Revenues	\$	3,809,115
Current year business-type activities Total Revenues	\$	4,312,471
Percentage change		13.21%

The business-type activities cost of programs and services changed as noted below.

Prior year business-type Total Program Costs	\$	2,809,562
Current year business-type Total Program Costs	\$	2,869,411
Percentage change		2.13%

The small changes are the result of normal operations.

THE CITY'S FUNDS

General Governmental Functions

The General Fund

The fund balance changed as noted below.

Increase (decrease) in General Fund Fund Balance	\$	162,036
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One of main factors for the increase is due to the amount of interest the city received.

Municipal Building Authority (MBA)

This fund records the rent paid from the general fund and in turn makes the necessary bond payments for the ambulance building and the sports complex. The MBA receives rental income equal to the bond payments.

MANTI CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2025

Business-type functions

The changes noted in the of net position of the Business-type functions are due to normal operations

Water fund

Net position of the water fund changed as noted below:

Increase (decrease) in Net Position - Current Year	\$	336,428
Increase (decrease) in Net Position - Prior Year	\$	770

Sewer fund

Net position of the sewer fund changed as noted below:

Increase (decrease) in Net Position - Current Year	\$	165,464
Increase (decrease) in Net Position - Prior Year	\$	76,004

Electric fund

Net position of the electric fund changed as noted below:

Increase (decrease) in Net Position - Current Year	\$	691,168
Increase (decrease) in Net Position - Prior Year	\$	597,779

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget to reflect new information they received regarding revenues and expenditures. Changes to original budget are noted below.

Increase in Highway expenditures due to increased road repairs to match the increased class c road grant funds	\$	447,300
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CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The change in capital assets is noted below.

Increase (decrease) in Capital Assets	\$	(51,729)
Percentage change		-0.44%

More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

MANTI CITY CORPORATION
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2025

Debt

The change in debt is noted below

Increase (decrease) in debt	\$	484,363
Percentage change		11.97%

More detailed information about the City’s debt is presented in Note 7 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The overall budget forecast, including loans and grants, is somewhat similar to 2024 as the impact of economic conditions is still not fully defined and it is anticipated some changes will be enacted by Manti City as a result of these conditions. It is anticipated that the utility rates will be maintained at the present level unless external factors, such as State or Federal legislation, cause the City to reconsider the current rates.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of Manti City’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Recorder, 50 South Main Street, Manti, Utah.

BASIC FINANCIAL STATEMENTS

MANTI CITY CORPORATION
STATEMENT OF NET POSITION
June 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 700,318	\$ 3,782,760	\$ 4,483,078
Receivables:			
Accounts, net	54,526	302,301	356,827
Taxes	321,684	-	321,684
Intergovernmental	86,223	-	86,223
Lease receivable	183,819	-	183,819
Inventory	-	377,160	377,160
Prepays	7,384	-	7,384
Restricted assets:			
Cash and cash equivalents	1,232,001	1,288,614	2,520,615
Capital assets, net of accumulated depreciation:			
Land	1,396,013	575,798	1,971,811
Buildings	2,660,306	-	2,660,306
Utility distribution and collection systems	-	3,942,843	3,942,843
Machinery and equipment	224,882	31,583	256,465
Infrastructure	2,972,862	-	2,972,862
Construction in progress	-	81,619	81,619
Lease receivable	981,475	-	981,475
Total Assets	10,821,493	10,382,678	21,204,171
Deferred Outflows of Resources			
Deferred outflows relating to pensions	136,332	101,635	237,967
Total Assets and Deferred Outflows of Resources	\$ 10,957,825	\$ 10,484,313	\$ 21,442,138

The accompanying notes are an integral part of the financial statements.

MANTI CITY CORPORATION
STATEMENT OF NET POSITION (Continued)
June 30, 2025

	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable	\$ 66,817	\$ 197,765	\$ 264,582
Accrued liabilities	29,033	8,638	37,671
Due to other funds	-	-	-
Payable from restricted assets	-	-	-
Accrued interest payable	13,905	-	13,905
Developer and customer deposits	-	32,200	32,200
Unearned revenue	103,256	67,835	171,091
Noncurrent liabilities:			
Due within one year	140,800	141,840	282,640
Due in more than one year	1,640,200	2,428,560	4,068,760
Net pension liability	102,049	76,077	178,126
Total Liabilities	2,096,060	2,952,915	5,048,975
Deferred Inflows of Resources:			
Deferred inflows for lease receivable	1,086,283	-	1,086,283
Deferred inflows for property taxes	185,500	-	185,500
Deferred inflows relating to pensions	1,593	1,186	2,779
Total Deferred Inflows of Resources	1,273,376	1,186	1,274,562
Net Position:			
Net investment in capital assets	5,521,063	2,102,843	7,623,906
Restricted for:			
Perpetual care	453,062	-	453,062
Roads	424,740	-	424,740
Library	152,694	-	152,694
Debt service	64,470	86,000	150,470
Future development	137,035	354,903	491,938
Unrestricted	835,323	4,986,466	5,821,789
Total Net Position	7,588,387	7,530,212	15,118,599
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 10,957,825	\$ 10,484,313	\$ 21,442,138

The accompanying notes are an integral part of the financial statements.

MANTI CITY CORPORATION
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 937,192	\$ 894,634	\$ 34,476	\$ 52,342	\$ 44,260	\$ -	\$ 44,260
Public safety	473,552	-	-	17,000	(456,552)	-	(456,552)
Public health	8,529	-	-	-	(8,529)	-	(8,529)
Highway and public improvements	716,514	-	527,099	-	(189,415)	-	(189,415)
Parks, recreation, and public property	1,100,277	64,197	-	30,271	(1,005,809)	-	(1,005,809)
Interest on long-term debt	18,691	-	-	-	(18,691)	-	(18,691)
Total Governmental Activities	3,254,755	958,831	561,575	99,613	(1,634,736)	-	(1,634,736)
Business-type Activities:							
Water	523,711	735,397	-	70,692	-	282,378	282,378
Sewer	320,609	465,746	-	-	-	145,137	145,137
Electric	2,025,091	2,755,779	-	163,323	-	894,011	894,011
Total Business-type Activities	2,869,411	3,956,922	-	234,015	-	1,321,526	1,321,526
Total Government	\$ 6,124,166	\$ 4,915,753	\$ 561,575	\$ 333,628	(1,634,736)	1,321,526	(313,210)
General Revenues:							
Property taxes					214,331	-	214,331
Sales taxes					704,171	-	704,171
Unrestricted investment earnings					134,683	121,534	256,217
Other					206,006	-	206,006
Transfers					250,000	(250,000)	-
Total General Revenues and Transfers					1,711,036	(128,466)	1,582,570
Changes in Net Position					76,300	1,193,060	1,269,360
Net Position, Beginning					7,534,326	6,343,513	13,877,839
Prior Period Adjustment					(22,239)	(6,361)	(28,600)
Net Position, Ending					\$ 7,588,387	\$ 7,530,212	\$ 15,118,599

The accompanying notes are an integral part of the financial statements.

MANTI CITY CORPORATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	General	Municipal Building Authority	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 507,757	\$ 165,092	\$ 26,219	\$ 1,250	\$ 700,318
Receivables:					
Accounts, net	54,526	-	-	-	54,526
Taxes	321,684	-	-	-	321,684
Intergovernmental	86,223	-	-	-	86,223
Leases	1,165,294				1,165,294
Prepaid expense	7,384	-	-	-	7,384
Restricted assets:					
Cash and cash equivalents	714,469	64,470	-	453,062	1,232,001
Total Assets	<u>\$ 2,857,337</u>	<u>\$ 229,562</u>	<u>\$ 26,219</u>	<u>\$ 454,312</u>	<u>\$ 3,567,430</u>
Liabilities:					
Accounts payable	\$ 66,817	\$ -	\$ -	\$ -	\$ 66,817
Accrued liabilities	29,040	-	-	-	29,040
Unearned Revenue	18,256	85,000	-	-	103,256
Total Liabilities	<u>114,113</u>	<u>85,000</u>	<u>-</u>	<u>-</u>	<u>199,113</u>
Deferred Inflows of Resources:					
Deferred lease revenue	1,086,283				1,086,283
Unavailable revenue - property tax	185,500	-	-	-	185,500
Total Deferred Inflows of Resources	<u>1,271,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,271,783</u>
Fund Balances:					
Nonspendable					
Prepays	7,384	-	-	-	7,384
Restricted					
Perpetual care	-	-	-	453,062	453,062
Roads	424,740	-	-	-	424,740
Future improvements/construction	137,035	-	-	-	137,035
Library	152,694	-	-	-	152,694
Debt service	-	64,470	-	-	64,470
Committed					
Service Organization	-	-	-	1,250	1,250
Assigned					
Capital Projects	-	-	26,219	-	26,219
Unassigned	749,588	80,092	-	-	829,680
Total Fund Balances (Deficit)	<u>1,471,441</u>	<u>144,562</u>	<u>26,219</u>	<u>454,312</u>	<u>2,096,534</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,857,337</u>	<u>\$ 229,562</u>	<u>\$ 26,219</u>	<u>\$ 454,312</u>	<u>\$ 3,567,430</u>

The accompanying notes are an integral part of the financial statements.

MANTI CITY CORPORATION
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2025

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

Total fund balance - governmental funds	\$ 2,096,539
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	7,254,063
Long-term liabilities are not due and payable in the current period and, therefore, are not recorded in the funds.	
Bonds and notes payable	(1,733,000)
Accrued interest payable	(13,905)
Compensated absences	(48,000)
Net pension liability	(102,049)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	
Deferred outflows	136,332
Deferred inflows	(1,593)
Total net position - governmental activities	<u><u>\$ 7,588,387</u></u>

The accompanying notes are an integral part of the financial statements.

MANTI CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
For The Year Ended June 30, 2025

	<u>General</u>	<u>Municipal Building Authority</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes	\$ 1,079,372	\$ -	\$ -	\$ -	\$ 1,079,372
Licenses and permits	12,484	-	-	-	12,484
Intergovernmental	595,299	-	-	-	595,299
Charges for services	843,951	81,197	-	-	925,148
Fines and forfeitures	26,142	-	-	-	26,142
Miscellaneous	45,137	-	-	6,500	51,637
Interest	165,341	10,203	-	13,585	189,129
Total Revenues	<u>2,767,726</u>	<u>91,400</u>	<u>-</u>	<u>20,085</u>	<u>2,879,211</u>
Expenditures:					
Current:					
General government	908,695	-	-	-	908,695
Public safety	459,092	-	-	-	459,092
Public health	5,730	-	-	-	5,730
Highway and public improvements	675,548	-	-	-	675,548
Parks, recreation and public property	830,510	-	-	-	830,510
Debt service:					
Principal	50,000	62,000	-	-	112,000
Interest	-	19,197	-	-	19,197
Capital outlay:					
Parks, recreation and public property	127,960	-	-	-	127,960
Total Expenditures	<u>3,057,535</u>	<u>81,197</u>	<u>-</u>	<u>-</u>	<u>3,138,732</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(289,809)</u>	<u>10,203</u>	<u>-</u>	<u>20,085</u>	<u>(259,521)</u>
Other Financing Sources (Uses):					
Transfers in (out)	250,000	-	-	-	250,000
Total Other Financing Sources (Uses)	<u>451,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>451,845</u>
Net Change in Fund Balances	162,036	10,203	-	20,085	192,324
Fund Balances, Beginning	<u>1,309,405</u>	<u>134,359</u>	<u>26,219</u>	<u>434,227</u>	<u>1,904,210</u>
Fund Balances (Deficit), Ending	<u>\$ 1,471,441</u>	<u>\$ 144,562</u>	<u>\$ 26,219</u>	<u>\$ 454,312</u>	<u>\$ 2,096,534</u>

The accompanying notes are an integral part of the financial statements.

MANTI CITY CORPORATION
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	\$ 192,324
Governmental funds have reported capital outlays, past and present, 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.	(353,370)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net position.	145,230
Accrued leave does not require the use of current financial resources and therefore is not recorded as an expenditure in the Governmental funds.	4,239
Accrued interest does not require the use of current financial resources and therefore is not recorded as an expenditure in the Governmental funds.	506
Repayment of bond and note principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.	112,000
Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the net pension liability is measured a year before the City's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pension, is reported in the statement of activities.	
Net pension contributions/expense	(24,629)
Change in net position of governmental activities	\$ 76,300

The accompanying notes are an integral part of the financial statements.

MANTI CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For The Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	final budget
Revenues:				
Taxes	\$ 1,110,500	\$ 1,079,900	\$ 1,079,372	\$ (528)
Licenses and permits	12,000	11,800	12,484	684
Intergovernmental revenues	547,500	566,900	595,299	28,399
Charges for services	797,100	816,350	843,951	27,601
Fines and forfeitures	25,000	20,000	26,142	6,142
Miscellaneous revenues	57,000	45,100	45,137	37
Interest	132,500	142,500	165,341	22,841
Use of Fund Balance	380,000	745,000	-	(745,000)
Total Revenues	3,061,600	3,427,550	2,767,726	(659,824)
Expenditures:				
General government:				
Municipal Courts	59,500	59,400	51,937	7,463
Administration	347,500	385,650	336,309	49,341
Flood Control	23,600	23,600	13,579	10,021
Waste Collection	349,600	349,600	316,760	32,840
Adult Center	12,350	10,100	4,236	5,864
Library	174,450	175,400	151,424	23,976
Airport	15,200	16,700	17,277	(577)
Economic Development	21,000	21,000	17,173	3,827
Public safety:				
Public Safety	381,400	381,400	324,676	56,724
Fire	150,150	150,000	134,416	15,584
Public health	10,100	10,100	5,730	4,370
Highway and public improvements	603,400	1,080,700	675,548	405,152
Parks, recreation and public property:				
Old City Hall	21,500	24,000	15,294	8,706
City Building	226,850	228,850	198,936	29,914
City Complex	109,350	118,600	98,635	19,965
Memorial Park	71,800	74,000	47,117	26,883
Recreation	524,550	557,150	472,121	85,029
Cemetery	161,300	163,300	126,367	36,933
Debt:				
Principal	50,000	50,000	50,000	-
Total Expenditures	3,313,600	3,879,550	3,057,535	822,015
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(252,000)	(452,000)	(289,809)	162,191
Other Financing Sources (Uses):				
Transfers in (out)	250,000	250,000	250,000	-
Sale of general capital assets	2,000	202,000	201,845	(155)
Total Other Financing Sources	252,000	452,000	451,845	(155)
Net Change in Fund Balance	\$ -	\$ -	162,036	\$ 162,036
Fund Balance, Beginning			1,309,405	
Fund Balance, Ending			\$ 1,471,441	

The accompanying notes are an integral part of the financial statements.

MANTI CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – MUNICIPAL BUILDING AUTHORITY
SPECIAL REVENUE FUND
For The Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>final budget</u>
Revenues:				
Charges for services	\$ 81,000	\$ 82,000	\$ 81,197	\$ (803)
Interest Revenue	8,500	8,500	10,203	1,703
Total Revenues	<u>89,500</u>	<u>90,500</u>	<u>91,400</u>	<u>900</u>
Expenditures:				
Debt:				
Principal	61,000	62,000	62,000	-
Interest	20,000	20,000	19,197	803
Total Expenditures	<u>81,000</u>	<u>82,000</u>	<u>81,197</u>	<u>803</u>
Excess (deficiency) of Revenues				
Over (Under) Expenditures	<u>8,500</u>	<u>8,500</u>	<u>10,203</u>	<u>1,703</u>
Other Financing Sources (Uses):				
Increase in Fund Balance	<u>(8,500)</u>	<u>(8,500)</u>	<u>-</u>	<u>(8,500)</u>
Total Other Financing				
Sources (Uses)	<u>(8,500)</u>	<u>(8,500)</u>	<u>-</u>	<u>8,500</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>10,203</u>	<u>\$ 10,203</u>
Fund Balance, Beginning			<u>134,359</u>	
Fund Balance (Deficit), Ending			<u>\$ 144,562</u>	

The accompanying notes are an integral part of the financial statements.

MANTI CITY CORPORATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>	<u>Totals</u>
Assets:				
Current Assets:				
Cash and cash equivalents	\$ 1,218,527	\$ 705,839	\$ 1,858,394	\$ 3,782,760
Accounts receivable, net	40,217	36,674	225,410	302,301
Inventory of supplies	5,000	280	371,880	377,160
Total Current Assets	<u>1,263,744</u>	<u>742,793</u>	<u>2,455,684</u>	<u>4,462,221</u>
Noncurrent Assets:				
Restricted cash and cash equivalents	963,159	86,000	239,455	1,288,614
Capital assets, net of accumulated depreciation:				
Land	15,875	559,923	-	575,798
Utility distribution and collection systems	1,596,159	1,825,914	520,770	3,942,843
Equipment	12,372	12,109	7,102	31,583
Construction in progress	81,619	-	-	81,619
Total Noncurrent Assets	<u>2,669,184</u>	<u>2,483,946</u>	<u>767,327</u>	<u>5,920,457</u>
Total Assets	<u>3,932,928</u>	<u>3,226,739</u>	<u>3,223,011</u>	<u>10,382,678</u>
Deferred Outflows of Resources				
Deferred outflows relating to pensions	20,233	19,015	62,387	101,635
Total Assets and Deferred Outflows of Resources	<u>\$ 3,953,161</u>	<u>\$ 3,245,754</u>	<u>\$ 3,285,398</u>	<u>\$ 10,484,313</u>

The accompanying notes are an integral part of the financial statements.

MANTI CITY CORPORATION
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
June 30, 2025

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Electric	Totals
Liabilities:				
Current Liabilities:				
Accounts payable	\$ 20,119	\$ 1,402	\$ 176,244	\$ 197,765
Accrued liabilities	2,976	-	5,662	8,638
Unearned revenue	-	-	67,835	67,835
Due to other funds	-	-	-	-
Customer deposits, refundable	-	-	32,200	32,200
Compensated absences	6,000	6,000	12,840	24,840
Bonds Payable	32,000	85,000	-	117,000
Total Current Liabilities	61,095	92,402	294,781	448,278
Noncurrent Liabilities:				
Compensated absences	4,000	4,000	8,560	16,560
Bonds Payable	956,000	1,456,000	-	2,412,000
Net pension liability	15,145	14,233	46,699	76,077
Total Noncurrent Liabilities	975,145	1,474,233	55,259	2,504,637
Total Liabilities	1,036,240	1,566,635	350,040	2,952,915
Deferred Inflows of Resources				
Deferred inflows relating to pensions	236	222	728	1,186
Net Position:				
Net investment in capital assets	718,025	856,946	527,872	2,102,843
Restricted for debt service	-	86,000	-	86,000
Impact fees	147,648	-	207,255	354,903
Unrestricted	2,051,012	735,951	2,199,503	4,986,466
Total Net Position	2,916,685	1,678,897	2,934,630	7,530,212
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 3,953,161	\$ 3,245,754	\$ 3,285,398	\$ 10,484,313

The accompanying notes are an integral part of the financial statements.

MANTI CITY CORPORATION
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
For The Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Electric	Totals
Operating Revenues:				
Charges for services	\$ 718,365	\$ 457,546	\$ 2,302,928	\$ 3,478,839
Material and labor sales	-	-	199,002	199,002
Other	17,032	8,200	253,849	279,081
Total Operating Revenues	735,397	465,746	2,755,779	3,956,922
Operating Expenses:				
Power purchased	-	-	1,384,350	1,384,350
Salaries and wages	186,523	155,401	422,512	764,436
Materials and supplies	108,180	42,880	149,632	300,692
Depreciation	129,017	98,255	22,128	249,400
Other operating expenses	87,854	24,073	46,469	158,396
Total Operating Expenses	511,574	320,609	2,025,091	2,857,274
Operating Income	223,823	145,137	730,688	1,099,648
Nonoperating Revenues (Expenses):				
Investment earnings	54,050	20,327	47,157	121,534
Interest expense	(12,137)	-	-	(12,137)
Total Nonoperating Revenues (Expenses)	41,913	20,327	47,157	109,397
Income before capital contributions and transfers	265,736	165,464	777,845	1,209,045
Capital Contributions and transfers:				
Impact fees	70,692	-	163,323	234,015
Transfer in/(out)	-	-	(250,000)	(250,000)
Changes in Net Position	336,428	165,464	691,168	1,193,060
Net Position, Beginning	2,582,474	1,515,650	2,245,389	6,343,513
Prior Period Adjustment	(2,217)	(2,217)	(1,927)	(6,361)
Net Position, Ending	\$ 2,916,685	\$ 1,678,897	\$ 2,934,630	\$ 7,530,212

The accompanying notes are an integral part of the financial statements.

MANTI CITY CORPORATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Electric	Totals
Cash Flows From Operating Activities:				
Receipts from customers and users	\$ 742,939	\$ 463,690	\$ 2,768,303	\$ 3,974,932
Payments to suppliers	(190,412)	(67,842)	(1,552,005)	(1,810,259)
Payments to employees and related benefits	(184,617)	(152,784)	(414,086)	(751,487)
Net cash flows from operating activities	367,910	243,064	802,212	1,413,186
Cash Flows From Capital and Related Financing Activities:				
Impact fees	70,692	-	163,323	234,015
Grant	-	-	-	-
Purchase of equipment/improvements	(69,285)	-	(336,523)	(405,808)
Proceeds from bonds	700,000	-	-	700,000
Principal paid on bonds	(90,000)	(85,000)	-	(175,000)
Interest paid	(12,137)	-	-	(12,137)
Net cash flows from capital and related financing activities:	599,270	(85,000)	(173,200)	341,070
Cash Flows From Non-Capital Financing Activities:				
Transfers out	-	-	(250,000)	(250,000)
Net cash flows from non-capital financing activities	-	-	(250,000)	(250,000)
Cash Flows From Investing Activities:				
Interest on investments	54,052	20,328	47,161	121,541
Net cash flows from investing activities	54,052	20,328	47,161	121,541
Net Increase (Decrease) In Cash	1,021,232	178,392	426,173	1,625,797
Cash At Beginning Of Year	1,160,455	613,447	1,671,680	3,445,581
Cash At End Of Year	\$ 2,181,686	\$ 791,839	\$ 2,097,849	\$ 5,071,374

The accompanying notes are an integral part of the financial statements.

MANTI CITY CORPORATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Continued)
For The Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Electric	Totals
Reconciliation of operating income to net cash flows from operating activities:				
Operating income	\$ 223,823	\$ 145,137	\$ 730,688	\$ 1,099,648
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation expense	129,017	98,255	22,128	249,400
(Increase) Decrease in accounts receivable	7,542	(2,056)	(60,611)	(55,125)
(Increase) Decrease in inventory	-	-	1,153	1,153
Increase (Decrease) in accounts payable	5,621	(889)	27,293	32,025
Increase (Decrease) in compensated absences	(817)	(818)	(2,827)	(4,462)
Increase (Decrease) in accrued liabilities	(930)	-	(17)	(947)
Increase (Decrease) in unearned revenue	-	-	67,835	67,835
Increase (Decrease) in customer deposits	-	-	5,300	5,300
Increase (Decrease) in pension expense	3,654	3,435	11,270	18,359
Net cash flows from operating activities	<u>\$ 367,910</u>	<u>\$ 243,064</u>	<u>\$ 802,212</u>	<u>\$ 1,413,186</u>

The accompanying notes are an integral part of the financial statements.

MANTI CITY CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Manti City Corporation (the City) operates under a council form of government and provides the following services as authorized by its charter: public safety, public health, highways, recreation, water, sewer, and electric.

The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

The Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in the related GASB pronouncement. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability of fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

The Manti City Municipal Building Authority, an entity legally separate from the City is governed by the members of the City Council. For financial reporting purposes, the Municipal Building Authority is reported as if it were part of the City's operations because its purpose is to finance and provide an office building for citizens of the City. The Municipal Building Authority is presented as a special revenue fund.

The City's basic financial statements include all City operations.

Government-Wide and Fund Financial Statements

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

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

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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, reserves, fund balance, revenues, and expenditures or expenses as appropriate.

The City reports the following major governmental funds:

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

The Municipal Building Authority Special Revenue Fund accounts for the rental revenues from the City Building and the related bond payments.

The City accounts for the construction of general governmental assets in the Capital Projects Fund.

The City reports the following major proprietary funds:

The Water Fund accounts for the activities of the City's water distribution system.

The Sewer Fund accounts for the activities of the City's sewer collection operations.

The Electric Fund accounts for the activities of the City's electricity distribution system.

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Additionally, the City reports the following fund types:

Special Revenue funds account for resources legally restricted to expenditures for specified current operating purposes and for the enforcement of special services and activities. Accounting and financial reporting for General and Special Revenue Funds are identical. The City accounts for the Manti Pageant Service Organization and the Municipal Building Authority in special revenue funds.

The Permanent Fund is used to account for the City's cemetery care.

The Agency fund is used to account for assets held by the City in a trustee capacity.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by various enterprise funds for providing administrative and billing services for such funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water enterprise fund, the Sewer enterprise fund, and the Electric enterprise fund are charges to customers of the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budgetary Data

The City Council follows these procedures in establishing the budgetary data reflected in the financial statement –

- (1) Prior to May 1, the City Recorder submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted in the City to obtain taxpayer comments.
- (3) Prior to June 22, the budget is formally adopted after a public hearing.
- (4) The City Council is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that increase the total expenditures of any fund must be approved at a public hearing.

Budgeted amounts are as originally adopted, or as amended by the City Council. Individual amendments were not material in relation to the original appropriations which were adopted.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are defined as the cash and cash equivalents accounts and the restricted cash and cash equivalents accounts.

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments of the City are stated at cost, which approximates fair value in accordance with GASB No. 72, *Fair Value Measurement and Application*.

Inventory

Inventories of the enterprise funds are stated at cost using the first in first out method.

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased, or estimated historical cost if constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, equipment and infrastructure are depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-40
Utility distribution and collection systems	40
Infrastructure	30-50
Vehicles	5-20
Equipment	10-20
Software	3

Property Taxes

Property taxes attach as an enforceable lien on property as of the first of January. Taxes are levied on October 1 and are due and payable on November 30.

Use of Estimates in Preparing Financial Statements

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

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund equity

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

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

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

Committed fund balance classification include those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council and remain binding unless removed in the same manner.

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

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

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

When committed, assigned, or unassigned resources are available for use, it is the city's policy to use committed resources first, followed by assigned resources, then unassigned resources as that are needed

Pension

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

GASB 101, Compensated Absences

GASB Statement No. 101, Compensated Absences, became effective and the City therefore implemented the new standard. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 2 CASH AND CASH EQUIVALENTS

Deposits and investments for local government are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, “the Act”) and by rules of the Utah Money Management Council (“the Council”). Following are discussions of the local government’s exposure to various risks related to its cash management activities.

Custodial credit risk – deposits is the risk that in the event of bank failure, the local government’s deposits may not be recovered. The local government’s policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Money Management Council. As of June 30, 2025, \$4,452,892 of the city’s bank balances of \$4,702,892 was uninsured and uncollateralized.

Custodial credit risk – investments is the risk that in the event of the failure of the counterparty, the local government will not be able to recover the value of its investment that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk of investments. The City’s investment in the Utah Public Treasurer’s Investment Fund has no custodial credit risk.

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act authorizes investments in negotiable or nonnegotiable deposits of qualified depositories and permitted 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; the Utah Public Treasurer’s Investment Fund; and reciprocal deposits subject to rules of the State Money Management Council.

The City is authorized to invest in the Utah Public Treasurer’s Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants’ average daily balances.

For the year ended June 30, 2025, the City had recorded investments of \$2,418,631 with a fair market value of \$2,442,865 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

Fair Value of Investments

The City measures 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

The fair value of the PTIF investments is measured using the Level 2 inputs as noted above.

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 2 CASH AND CASH EQUIVALENTS (Continued)

As of June 30, 2025, the City had the following deposits and investments:

	Fair Value	Credit Rating (1)	Weighted Average Maturity (2)
Cash on hand and on deposit:			
Cash on hand	\$ 300	N/A	N/A
Cash on deposit	4,584,761	N/A	N/A
Utah State Treasurer's investment pool account	2,418,632	N/A	66.13
Total cash and investments	\$ 7,003,693		

(1) Ratings are provided where applicable to indicate associated Credit Risk. N/A indicates not applicable.

(2) Interest Rate Risk is estimated using the weighted average days to maturity.

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The local government manages its exposure to declines in fair value by investment mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

Concentration of credit risk is their risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment in the Utah Public Treasurer's Investment Fund has no concentration of credit risk.

NOTE 3 ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for doubtful accounts receivable at June 30, 2025 for all funds is \$36,900.

NOTE 4 LEASE RECEIVABLE

The City leases office space and cell towers to governmental and other entities. The terms of those leases range from 5 to 30 years with interest rates assumed at 2.50%. the City recorded \$172,666 of revenue for the fiscal year 2025.

Future lease revenue are as follows:

Fiscal Year Ended June 30	Principal	Interest
2026	\$ 183,819	\$ 27,069
2027	189,223	22,412
2028	194,783	17,617
2029	132,230	13,167
2030	8,041	11,572
Thereafter	457,198	171,949
	\$ 1,165,294	\$ 263,786

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 5 CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,338,053	\$ 57,960	\$ -	\$ 1,396,013
Total capital assets, not being depreciated	<u>1,338,053</u>	<u>57,960</u>	<u>-</u>	<u>1,396,013</u>
Capital assets, being depreciated:				
Buildings	6,090,234	70,000	-	6,160,234
Machinery and equipment	1,038,617	17,270	-	1,055,887
Infrastructure	6,361,574	-	-	6,361,574
Total capital assets being depreciated	<u>13,490,425</u>	<u>87,270</u>	<u>-</u>	<u>13,577,695</u>
Less accumulated depreciation for:				
Buildings	(3,333,634)	(166,294)	-	(3,499,928)
Machinery and equipment	(796,495)	(34,510)	-	(831,005)
Infrastructure	(3,236,146)	(152,566)	-	(3,388,712)
Total accumulated depreciation	<u>(7,366,275)</u>	<u>(353,370)</u>	<u>-</u>	<u>(7,719,645)</u>
Total capital assets, being depreciated, net	<u>6,124,150</u>	<u>(266,100)</u>	<u>-</u>	<u>5,858,050</u>
Governmental activities capital assets, net	<u><u>\$ 7,462,203</u></u>	<u><u>\$ (208,140)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,254,063</u></u>

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 5 CAPITAL ASSETS AND DEPRECIATION (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 559,923	\$ 15,875	\$ -	\$ 575,798
Construction in progress	28,208	53,411	-	81,619
Total capital assets, not being depreciated	588,131	69,286	-	657,417
Capital assets, being depreciated:				
Buildings	27,100	-	-	27,100
Utility distribution and collection systems	13,863,748	336,525	-	14,200,273
Machinery and equipment	622,275	-	-	622,275
Total capital assets being depreciated	14,513,123	336,525	-	14,849,648
Less accumulated depreciation for:				
Buildings	(27,100)	-	-	(27,100)
Utility distribution and collection systems	(10,015,362)	(242,068)	-	(10,257,430)
Machinery and equipment	(583,360)	(7,332)	-	(590,692)
Total accumulated depreciation	(10,625,822)	(249,400)	-	(10,875,222)
Total capital assets, being depreciated, net	3,887,301	87,125	-	3,974,426
Business-type activities capital assets, net	\$ 4,475,432	\$ 156,411	\$ -	\$ 4,631,843

Depreciation expenses were charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 8,108
Public safety	14,460
Public health	2,799
Highways and streets, including depreciation of general infrastructure assets	40,966
Park, recreation and public property	287,037
Total depreciation expense - governmental activities	\$ 353,370
Business-type activities:	
Water	\$ 129,016
Sewer	98,255
Electric	22,129
Total depreciation expense - business-type activities	\$ 249,400

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 6 DEFERRED OUTFLOWS/ INFLOW OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City has one item that qualifies for reporting in this category. It is pension related items reported in the statement of net position. See footnote 8 for more information.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. The first item is pension related items reported on the statement of net position. See footnote 8 for more information. The second item is in conjunction with the implementation of GASB pronouncement 33 “*Accounting and Financial Reporting for Nonexchange Transactions*” the City has accrued a property tax receivable and deferred inflow of resources for property tax revenue in the amount of \$185,500. The third item is in conjunction with the implementation of GASB pronouncement 87 “Leases”. The City has accrued a lease deferred inflow of resources for \$1,086,283.

Property taxes recorded in the governmental funds are recorded using the modified accrual basis of accounting, wherein revenues are recognized when they are both measurable and available (expected to be received within 60 days). Property taxes attach as an enforceable lien on property as of the first day of January. Taxes are levied on October 1 and then are due and payable at November 30. Since the property tax to be levied on October 1, 2025 is not expected to be received within 60 days after year ended June 30, 2025, the City is required to record a receivable and a deferred inflow of resources of the estimated amount of the total property tax to be levied on October 1, 2025.

NOTE 7 LONG-TERM LIABILITIES

The following is a summary of changes in long-term debt for the year ended June 30, 2025.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One year</u>
Governmental Activities:					
Direct Placement Bond					
General obligation bonds					
Series 2005	\$ 200,000	\$ -	\$ 50,000	\$ 150,000	\$ 50,000
	<u>200,000</u>	<u>-</u>	<u>50,000</u>	<u>150,000</u>	<u>50,000</u>
Direct Placement Bonds					
Revenue bonds					
Ambulance building 2015	364,000	-	17,000	347,000	17,000
Sports Complex 2017	1,281,000	-	45,000	1,236,000	45,000
	<u>1,645,000</u>	<u>-</u>	<u>62,000</u>	<u>1,583,000</u>	<u>62,000</u>
Compensated absences	30,000	18,000 *		48,000	28,800
Pension liability	72,565	29,484	-	102,049	-
	<u>102,565</u>	<u>47,484</u>	<u>-</u>	<u>150,049</u>	<u>28,800</u>
Total governmental activity					
long-term liabilities	<u>\$ 1,947,565</u>	<u>\$ 47,484</u>	<u>\$ 112,000</u>	<u>\$ 1,883,049</u>	<u>\$ 140,800</u>

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 7 LONG-TERM LIABILITIES (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One year
Business-type Activities:					
Direct Placement Bonds					
Water fund					
Water Refunding Series 2018	\$ 378,000	\$ -	\$ 90,000	\$ 288,000	\$ 32,000
Water Revenue Series 2024	-	700,000	-	700,000	-
Water Fund Total	378,000	700,000	90,000	988,000	32,000
Direct Placement Bond					
Sewer fund					
Sewer Revenue 2013	1,626,000	-	85,000	1,541,000	85,000
Sewer Fund Total	1,626,000	-	85,000	1,541,000	85,000
Compensated absences	39,500	1,900 *	-	41,400	24,840
Pension liability	54,098	21,979	-	76,077	-
	93,598	23,879	-	117,477	24,840
Total business-type activity long-term liabilities	\$ 2,097,598	\$ 723,879	\$ 175,000	\$ 2,646,477	\$ 141,840

*Compensated absences change is the net change in the liability.

Payments made on bond which pertain to the City's governmental activities with the exception of the ambulance building and the sports complex, are made by the General Fund. The ambulance building and sports complex are paid by the Municipal Building Authority Special Revenue Fund.

The City has pledged as collateral for the revenue and refunding bonds only their respective water facilities and the revenues therefrom.

General Obligation Bond Series 2005

In July of 2005 the City issued the General Obligation Bond Series 2005 for \$1,000,000, payable in yearly payments of \$50,000, to construct the City's Aquatic Center. The first payment was due January 1, 2008. These bonds carry no interest rate. The bond contains a significant default provision wherein if the City does not pay the scheduled principal and interest payments the bondholders may require the city to increase taxes in order to collect sufficient funds to make the required payments. In addition, the bond has an acceleration clause wherein upon default the bonds shall bear an interest at rate of 18% until the default is cured.

Wastewater Revenue Bond, Series 2013

The City issued the Wastewater Revenue Bond, Series 2013 for \$2,561,000, payable in yearly payments of \$85,000 until 2033 wherein the payments increase to \$86,000, to upgrade the sewer ponds. The first payment is due April 1, 2014. These bonds carry no interest rate. The bond contains a significant default provision wherein if the City does not pay the scheduled principal and interest payments the bondholders may petition the court to appoint a receiver. In addition, the bond has an acceleration clause wherein upon default the bonds shall bear an interest at rate of 18% until the default is cured.

Ambulance Building 2015

During 2015 the MBA issued the Lease Revenue Bonds, Series 2015, for \$500,000 payable in yearly payments of \$16,000 to \$17,000 until October 2045 to construct the new ambulance building. The first payment is due October 2016. These bonds carry no interest rate. The bond contains a significant default provision wherein if the MBA does not pay the scheduled principal and interest payments the bondholders may declare the principal of all bonds then outstanding and the interest accrued thereon immediately due

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 7 LONG-TERM LIABILITIES (Continued)

and payable. In addition, the bond has an acceleration clause wherein upon default the bonds shall bear an interest at rate of 18% until the default is cured.

Sports Complex 2017

During 2017 the MBA issued the Lease Revenue Bonds, Series 2017, for \$1,536,000 payable in yearly payments of \$41,000 to \$63,000 starting October 2018 until October 2047 to construct the new sports complex. The first payment is due October 2018. These bonds carry an interest rate of 1.50%. The bond contains a significant default provision wherein if the City does not pay the scheduled principal and interest payments the bondholders may take whatever action at law or in equity may appear necessary or desirable to enforce their or its rights in and to the Project.

Water Revenue Refunding Bonds Series 2018

During 2018 the City issued the Water Revenue Refunding Bonds, Series 2018 for \$954,000 to refund the Water Revenue Bond, Series 1998, Water Revenue Bond, Series 2003A and Water Revenue Bond Series 2003B. The Series 2018 bond carry a variable interest rate from 2.45% to 3.90% with semi-annual payments on March 1 and September 1 starting on March 1, 2019 and ending on March 1, 2033. The bond contains a significant default provision wherein if the City does not pay the scheduled principal and interest payments the bondholders may petition the court to appoint a receiver. In addition, the bond has an acceleration clause wherein upon default the bonds shall bear an interest at rate of 18% until the default is cured. The refunding bond resulted in an economic gain of \$24,441 and a cash flow savings of \$300,397.

Water Revenue Bonds Series 2024

During the year the City issued the Water Revenue Bonds, Series 2024, for \$7,537,000 to construct a water treatment plant. The bond is payable in yearly payments of \$186,000 to \$203,000 starting July 2026 until July 2063. These bonds bear no interest. The bond contains a significant default provision wherein if the City does not pay the scheduled principal and interest payments the bondholders may take whatever action at law or in equity may appear necessary or desirable to enforce their or its rights in and to the Project.

The city is receiving the bond proceeds as needed and has been issued \$700,000 as of June 30, 2025

Line of Credit

The City does not have any lines of credit as of June 30, 2025.

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 7 LONG-TERM LIABILITIES (Continued)

The following is a schedule of the future minimum payments for all long-term debt:

Fiscal Year Ended June 30	G.O Bonds		Revenue Bonds		Revenue Bonds	
	Aquatic Center 2005		Sports Complex 2017		Ambulance Building 2015	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 50,000	\$ -	\$ 45,000	\$ 19,215	\$ 17,000	\$ -
2027	50,000	-	46,000	18,540	17,000	-
2028	50,000	-	47,000	17,865	17,000	-
2029	-	-	47,000	17,175	17,000	-
2030	-	-	48,000	15,765	17,000	-
2031	-	-	49,000	15,045	17,000	-
2032	-	-	50,000	14,310	17,000	-
2033	-	-	50,000	13,560	17,000	-
2034	-	-	51,000	12,810	17,000	-
2035	-	-	52,000	12,045	17,000	-
2036	-	-	53,000	11,265	17,000	-
2037	-	-	54,000	10,470	16,000	-
2038	-	-	54,000	9,660	16,000	-
2039	-	-	55,000	8,850	16,000	-
2040	-	-	56,000	8,025	16,000	-
2041	-	-	57,000	7,185	16,000	-
2042	-	-	58,000	6,330	16,000	-
2043	-	-	59,000	5,480	16,000	-
2044	-	-	59,000	4,575	16,000	-
2045	-	-	60,000	3,690	16,000	-
2046	-	-	61,000	2,790	16,000	-
2047	-	-	62,000	1,875	-	-
2048	-	-	63,000	945	-	-
	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 1,236,000</u>	<u>\$ 237,470</u>	<u>\$ 347,000</u>	<u>\$ -</u>
	Interest Rate: None Charged		Interest Rate: 1.50%		Interest Rate: None Charged	

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 7 LONG-TERM LIABILITIES (Continued)

The following is a schedule of the future minimum payments for all long-term debt:

Fiscal Year Ended June 30	Revenue Bond						Total		
	2013 Sewer		2018 Water Refunding		2024 Water		Principal	Interest	Total
	Principal	Interest	Principal	Interest	Principal	Interest			
2026	\$ 85,000	\$ -	\$ 32,000	\$ 10,277	\$ -	\$ -	\$ 229,000	\$ 29,492	\$ 258,492
2027	85,000	-	33,000	9,253	186,000	-	417,000	27,793	444,793
2028	85,000	-	34,000	8,164	187,000	-	420,000	26,029	446,029
2029	85,000	-	35,000	7,008	187,000	-	371,000	24,183	395,183
2030	85,000	-	36,000	5,783	187,000	-	373,000	21,548	394,548
2031	85,000	-	38,000	4,487	188,000	-	377,000	19,532	396,532
2032	85,000	-	39,000	3,081	191,000	-	382,000	17,391	399,391
2033	86,000	-	41,000	1,599	191,000	-	385,000	15,159	400,159
2034	86,000	-	-	-	192,000	-	346,000	12,810	358,810
2035	86,000	-	-	-	192,000	-	347,000	12,045	359,045
2036	86,000	-	-	-	192,000	-	348,000	11,265	359,265
2037	86,000	-	-	-	195,000	-	351,000	10,470	361,470
2038	86,000	-	-	-	195,000	-	351,000	9,660	360,660
2039	86,000	-	-	-	195,000	-	352,000	8,850	360,850
2040	86,000	-	-	-	195,000	-	353,000	8,025	361,025
2041	86,000	-	-	-	196,000	-	355,000	7,185	362,185
2042	86,000	-	-	-	203,000	-	363,000	6,330	369,330
2043	86,000	-	-	-	203,000	-	364,000	5,480	369,480
2044	-	-	-	-	203,000	-	278,000	4,575	282,575
2045	-	-	-	-	203,000	-	279,000	3,690	282,690
2046	-	-	-	-	203,000	-	280,000	2,790	282,790
2047	-	-	-	-	203,000	-	265,000	1,875	266,875
2048	-	-	-	-	203,000	-	266,000	945	266,945
Thereafter	-	-	-	-	3,247,000	-	3,247,000	-	3,247,000
	<u>\$ 1,541,000</u>	<u>\$ -</u>	<u>\$ 288,000</u>	<u>\$ 49,652</u>	<u>\$ 7,537,000</u>	<u>\$ -</u>	<u>\$ 11,099,000</u>	<u>\$ 287,122</u>	<u>\$ 11,386,122</u>
	Interest Rate: None Charged		Interest Rate: 2.45%		Interest Rate: None Charged				

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 8 DEFINED BENEFIT PENSION PLAN

Plan Description

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following Pension Trust Funds:

Defined Benefit Plans

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

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

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

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

Summary of Benefits by System

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%
Tier 2 Public Employees System	Highest 5 Years	35 years any age 20 years age 60 * 10 years age 62 * 4 years age 65	1.50% per year all years	Up to 2.5%

* with actuarial reductions

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

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued)

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2025 are as follows:

Noncontributory System	Tier 1 - DB System			Tier 2 - DB Hybrid System				Tier 2 - 401(k) Option			
	Employee	Employer	ER 401(k)	Tier 2				Tier 2			
				Fund	Employee	Employer	ER 401(k)	Fund	Employee	Employer	ER 401(k)
15 Local Government	-	16.97	-	111	0.70	15.19	0.18	211	-	5.19	10.00

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

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 71,265	\$ -
Tier 2 Public Employees System	\$ 38,300	\$ 1,623
Tier 2 DC Only System	\$ 13,051	\$ -
Total Contributions	\$ 122,616	\$ 1,623

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

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

At June 30, 2025, we reported a net pension asset of \$0 and a net pension liability of \$178,127.

System	(Measurement Date): December 31, 2024					
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2023	Change (Decrease)	
Noncontributory System	\$ -	\$ 154,494	0.0487191%	0.0466789%	0.0020402%	
Tier 2 Public Employees System	\$ -	\$ 23,633	0.0079242%	0.0094474%	-0.0015232%	
	\$ -	\$ 178,127				

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2025, we recognized pension expense of \$165,389.

At June 30, 2025 we 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	\$ 102,273	\$ 163
Change in assumptions	20,673	2
Net difference between projected and actual earnings on pension plan investments	48,047	-
Changes in proportion and differences between contributions and proportionate share of contributions	5,215	2,613
Contributions subsequent to the measurement date	61,758	-
Total	<u>\$ 237,966</u>	<u>\$ 2,778</u>

\$61,758 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year Ended December 31,	Deferred Outflows (inflow) of Resources
2025	\$ 90,088
2026	89,054
2027	(16,853)
2028	(1,002)
2029	5,474
Thereafter	6,668

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2025, we recognized pension expense of \$139,366.

At June 30, 2025 we 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	\$ 92,056	\$ -
Change in assumptions	12,780	-
Net difference between projected and actual earnings on pension plan investments	46,536	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	1,918
Contributions subsequent to the measurement date	35,452	-
Total	<u>\$ 186,824</u>	<u>\$ 1,918</u>

\$35,452 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year Ended December 31,	Deferred Outflows (inflow) of Resources
2025	\$ 87,152
2026	84,633
2027	(18,883)
2028	(3,448)
2029	-
Thereafter	-

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2025, we recognized pension expense of \$26,023.

At June 30, 2025 we 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	\$ 10,217	\$ 163
Change in assumptions	7,893	2
Net difference between projected and actual earnings on pension plan investments	1,511	-
Changes in proportion and differences between contributions and proportionate share of contributions	5,215	695
Contributions subsequent to the measurement date	26,306	-
Total	<u>\$ 51,142</u>	<u>\$ 860</u>

\$26,306 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year Ended December 31,	Deferred Outflows (inflow) of Resources
2025	\$ 2,936
2026	4,421
2027	2,030
2028	2,446
2029	5,474
Thereafter	6,668

Actuarial Assumptions

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

Inflation	2.50 Percent
Salary Increases	3.5 – 9.5 percent, average, including inflation
Investment Rate of Return	6.85 percent, net of pension plan investment expense, including inflation

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 8 DEFINED BENEFIT PENSION PLAN (Continued)

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 assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively

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

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

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	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% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

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.

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 8 DEFINED BENEFIT PENSION PLAN (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 would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 653,383	\$ 154,494	\$ (263,912)
Tier 2 Public Employees System	\$ 70,586	\$ 23,633	\$ (12,892)
Total	\$ 723,969	\$ 178,127	\$ (276,804)

Pension Plan Fiduciary Net Position

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

NOTE 9 DEFERRED COMPENSATION PLANS

Defined Contributions Savings Plans

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

Manti City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- * 401(k) Plan
- * Roth IRA Plan
- * Traditional IRA Plan

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 9 DEFERRED COMPENSATION PLANS (Continued)

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

	2025	2024	2023
401 (k) Plan			
Employer Contributions	\$48,576	\$51,705	\$44,122
Employee Contributions	\$37,488	\$39,659	\$35,789
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$10,851	\$8,237	\$6,952
Traditional IRA			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$24	\$80	\$315

NOTE 10 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; errors and omissions and natural disasters. The City participates in the Utah Local Government Insurance Trust (Trust), a public entity risk pool to manage its risk of loss. The City pays an annual premium to the trust for its general insurance coverage. The Trust was created to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of one million dollars for each insured event. As of June 30, 2025, there were no outstanding unpaid claims. Also, the City had no claim settlements during the three years ending June 30, 2025 which exceeded its insurance coverage.

NOTE 11 COMMITMENTS AND CONTINGENCIES

The City believes that possible contingencies (contingencies incurred but not reported) where the loss cannot be reasonably estimated are immaterial to the financial statements of the City.

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 12 JOINT VENTURE

The Utah Municipal Power Agency (UMPA) was created jointly as a separate legal entity and political subdivision of the State of Utah by an agreement dated September 17, 1980, pursuant to the provisions of the Utah Interlocal Cooperation Act. UMPA's membership consists of six municipalities. UMPA's purposes include planning, financing, development, acquisition, construction, improvement, betterment, operation, or maintenance of projects for the generation, transmission and distribution of electric energy for the benefit of the member municipalities. UMPA has issued revenue bonds to purchase an interest in various electrical generation facilities to provide power to its members. Under the terms of the S-1 Power Sales Agreement the members are obligated to pay their proportionate share, based upon members' energy purchases, of all operation and maintenance expenses and debt service on the revenue bonds incurred by UMPA. Furthermore, they are obligated to purchase all of their energy needs from UMPA.

UMPA is governed by a Board of Directors. Each member appoints one director to the Board. All decisions of the Board are made by majority vote, except in specific decisions as described in the Interlocal Cooperation Agreement where votes shall be by number of megawatt hours sold.

Below is a summary of the financial position of UMPA. Complete separate financial statements for the agency may be obtained at Utah Municipal Power Agency, 75 West 300 North, Spanish Fork, Utah 84660.

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 12 JOINT VENTURE (Continued)

Utah Municipal Power Agency
Statement of Net Position
June 30, 2024

Assets	
Current assets	\$ 121,240,007
Other noncurrent assets	7,218,043
Deferred charges and other assets	6,019,541
Net utility plant and equipment	<u>139,456,021</u>
Total Assets	<u><u>\$ 273,933,612</u></u>
Liabilities, Deferred Inflow of Resources, and Net Position	
Current liabilities	\$ 20,382,117
Long-term liabilities	100,153,339
Deferred inflow of resources	<u>153,394,806</u>
Total Liabilities and deferred inflow of resources	273,930,262
Net position	<u>3,350</u>
Total Liabilities, Deferred Inflows, and Net Position	<u><u>\$ 273,933,612</u></u>

Utah Municipal Power Agency
Statement of Revenue and Expenses & Changes in Net Position
For the Year Ended June 30, 2024

Total operating revenues	\$ 171,503,303
Total operating expenses	<u>142,724,472</u>
Net operating income (loss)	28,778,831
Total non-operating income (expense)	<u>(28,778,831)</u>
Change in Net Position	<u><u>\$ -</u></u>

The fiscal year 2025 financial statements were not available at the time that these financials were issued, therefore we are reporting the information from the most recent available information, which is fiscal year 2024.

UMPA bills members at rates sufficient to cover the costs of operating and maintaining the Agency and the costs of debt service, but not items such as depreciation and amortization. Thus, any gain or loss results in a decrease or increase in subsequent billings to members, rather than increasing or decreasing member's equity as would normally be expected. The current member's equity only reflects the original investment from members, less the amount returned to two cities which withdrew from UMPA.

MANTI CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 13 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Transfers were made which will not be repaid. The transfers from the utility funds were made to finance programs in the General Fund.

Interfund transfers for the year ended June 30, 2025 are as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 250,000	\$ -
Electric	-	250,000
	<u>\$ 250,000</u>	<u>\$ 250,000</u>

NOTE 14 BUDGET

The Library department exceeded the final adopted budget by \$577. No other departments within the General Fund exceeded the final adopted budget.

NOTE 15 PRIOR PERIOD ADJUSTMENT

During the year the city implemented GASB 101, Compensated Absences. The standard required the city to apply the new requirements retroactively, which caused the city to record changes to the beginning net position balances as noted below.

Accrued Compensated Absences	\$ 28,599
Net Position	28,599
Governmental Activities	\$ 22,240
Water Fund	2,217
Sewer Fund	2,217
Electric Fund	1,925

REQUIRED SUPPLEMENTARY INFORMATION

MANTI CITY CORPORATION
SCHEDULE OF PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
December 31, 2024 (measurement date)
June 30, 2025
Last 10 Fiscal Years *

	As of year ended Dec 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability/(asset)
Noncontributory Retirement System	2015	0.0557514%	\$ 315,469	\$ 432,251	72.98%	87.8%
	2016	0.0544828%	\$ 349,846	\$ 437,374	79.99%	87.3%
	2017	0.0551827%	\$ 241,772	\$ 437,758	55.23%	91.9%
	2018	0.0482278%	\$ 355,136	\$ 344,996	102.94%	87.0%
	2019	0.0482846%	\$ 181,978	\$ 337,567	53.91%	93.7%
	2020	0.0496482%	\$ 25,467	\$ 349,752	7.28%	99.2%
	2021	0.0455635%	\$ (260,947)	\$ 301,303	-86.61%	108.7%
	2022	0.0446643%	\$ 76,499	\$ 294,538	25.97%	97.5%
	2023	0.0466789%	\$ 108,275	\$ 372,011	29.11%	96.9%
	2024	0.0487191%	\$ 154,494	\$ 416,178	37.12%	96.0%
Tier 2 Public Employees Retirement System	2015	0.0109451%	\$ (24)	\$ 70,706	-0.03%	100.2%
	2016	0.0087519%	\$ 976	\$ 71,774	1.36%	95.1%
	2017	0.0114765%	\$ 1,012	\$ 111,944	0.90%	97.4%
	2018	0.0181870%	\$ 7,789	\$ 212,026	3.67%	90.8%
	2019	0.0190058%	\$ 4,286	\$ 264,836	1.62%	96.5%
	2020	0.0167103%	\$ 2,403	\$ 267,230	0.90%	98.3%
	2021	0.0162361%	\$ (6,872)	\$ 301,339	-2.28%	103.8%
	2022	0.0163192%	\$ 17,770	\$ 356,370	4.99%	92.3%
	2023	0.0094474%	\$ 18,388	\$ 244,247	7.53%	89.6%
	2024	0.0079242%	\$ 23,633	\$ 234,850	10.06%	87.4%

*In accordance with paragraph 81.a of GASB 68, a 10-year history of the proportionate share of the net pension liability(asset) is presented

MANTI CITY CORPORATION
SCHEDULE OF CONTRIBUTIONS
June 30, 2025
Last 10 Fiscal Years *

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required Contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory System	2015	\$ 77,898	\$ 77,898	\$ -	\$ 386,260	20.17%
	2016	\$ 79,837	\$ 79,837	\$ -	\$ 432,256	18.47%
	2017	\$ 80,852	\$ 80,852	\$ -	\$ 437,748	18.47%
	2018	\$ 73,983	\$ 73,983	\$ -	\$ 402,667	18.37%
	2019	\$ 61,375	\$ 61,375	\$ -	\$ 332,299	18.47%
	2020	\$ 63,999	\$ 63,999	\$ -	\$ 346,501	18.47%
	2021	\$ 60,788	\$ 60,788	\$ -	\$ 329,941	18.42%
	2022	\$ 53,501	\$ 53,501	\$ -	\$ 291,927	18.33%
	2023	\$ 57,853	\$ 57,853	\$ -	\$ 321,943	17.97%
	2024	\$ 72,493	\$ 72,493	\$ -	\$ 404,390	17.93%
	2025	\$ 71,265	\$ 71,265	\$ -	\$ 419,944	16.97%
Tier 2 Public Employees System*	2015	\$ 13,090	\$ 13,090	\$ -	\$ 89,136	14.69%
	2016	\$ 10,542	\$ 10,542	\$ -	\$ 70,706	14.91%
	2017	\$ 10,861	\$ 10,861	\$ -	\$ 72,842	14.91%
	2018	\$ 25,346	\$ 25,346	\$ -	\$ 167,741	15.11%
	2019	\$ 37,673	\$ 37,673	\$ -	\$ 242,426	15.54%
	2020	\$ 43,862	\$ 43,862	\$ -	\$ 280,089	15.66%
	2021	\$ 43,465	\$ 43,465	\$ -	\$ 275,032	15.80%
	2022	\$ 53,850	\$ 53,850	\$ -	\$ 335,095	16.07%
	2023	\$ 50,146	\$ 50,146	\$ -	\$ 313,214	16.01%
	2024	\$ 37,449	\$ 37,449	\$ -	\$ 233,913	16.01%
	2025	\$ 38,300	\$ 38,300	\$ -	\$ 252,142	15.19%
Tier 2 Public Employees DC Only System*	2015	\$ 5,952	\$ 5,952	\$ -	\$ 88,577	6.72%
	2016	\$ 7,369	\$ 7,369	\$ -	\$ 110,145	6.69%
	2017	\$ 7,659	\$ 7,659	\$ -	\$ 114,491	6.69%
	2018	\$ 5,967	\$ 5,967	\$ -	\$ 89,199	6.69%
	2019	\$ 7,033	\$ 7,033	\$ -	\$ 105,123	6.69%
	2020	\$ 7,637	\$ 7,637	\$ -	\$ 114,151	6.69%
	2021	\$ 9,617	\$ 9,617	\$ -	\$ 143,748	6.69%
	2022	\$ 11,132	\$ 11,132	\$ -	\$ 166,395	6.69%
	2023	\$ 12,974	\$ 12,974	\$ -	\$ 209,604	6.19%
	2024	\$ 16,432	\$ 16,432	\$ -	\$ 265,456	6.19%
	2025	\$ 13,051	\$ 13,051	\$ -	\$ 251,465	5.19%

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

Manti City
Notes to Required Supplementary Information
For Year Ended June 30, 2025

Changes of Assumptions

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

SUPPLEMENTAL INFORMATION

MANTI CITY CORPORATION
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

	<u>Special Revenue</u>	<u>Permanent</u>	
	<u>Manti Pageant Service Organization</u>	<u>Perpetual Care</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 1,250	\$ 453,062	\$ 454,312
Due from other funds	-	-	-
Total Assets	<u>\$ 1,250</u>	<u>\$ 453,062</u>	<u>\$ 454,312</u>
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Restricted			
Perpetual Care	-	453,062	453,062
Committed			
Manti Pageant Service Organization	<u>1,250</u>	<u>-</u>	<u>1,250</u>
Total Fund Balances	<u>1,250</u>	<u>453,062</u>	<u>454,312</u>
Total Liabilities and Fund Balances	<u>\$ 1,250</u>	<u>\$ 453,062</u>	<u>\$ 454,312</u>

MANTI CITY CORPORATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2025

	<u>Revenue</u> <u>Manti Pageant</u> <u>Service</u> <u>Organization</u>	<u>Permanent</u> <u>Perpetual</u> <u>Care</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues:			
Miscellaneous revenues	\$ -	\$ 6,500	\$ 6,500
Interest	17	13,568	13,585
Total Revenues	<u>17</u>	<u>20,068</u>	<u>20,085</u>
Expenditures:			
Current:			
General government	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	17	20,068	20,085
Other Financing Sources (Uses):			
Transfers in (out)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	17	20,068	20,085
Fund Balances, Beginning	<u>1,233</u>	<u>432,994</u>	<u>434,227</u>
Fund Balances, Ending	<u>\$ 1,250</u>	<u>\$ 453,062</u>	<u>\$ 454,312</u>

COMPLIANCE SECTION



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

Honorable Mayor and
Members of City Council
Manti City Corporation
Manti, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Manti City, Utah, 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 December 19, 2025.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Manti 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

HintonBurdick, PLLC

HintonBurdick, PLLC

St. George, Utah

December 19, 2025



**Independent Auditors' Report on Compliance and
Report on Internal Control over Compliance
as Required by the *State Compliance Audit Guide***

To the Honorable Mayor and
Members of the City Council
Manti City
Manti City, Utah

Report On Compliance

We have audited Manti City's (the City) compliance with the applicable state and compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2025.

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

Budgetary Compliance	Fraud Risk Assessment
Fund Balance	Governmental Fees
Justice Court	Restricted Taxes - Other Related Restricted Revenue
Cash Management	Tax Levy Revenue Recognition
Utah Retirement Systems	Crime Insurance For Public Treasurers
Open and Public Meetings Act	

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements outlined in the State Compliance Audit Guide (Guide), issued by the Office of the State Auditor. Our responsibilities under those standards and the 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 Manti 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 on compliance for each major federal program. Our audit does not provide a legal determination of Manti 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, provisions of contracts or grant agreements applicable to the Manti 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 Manti 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 Manti City's compliance with the requirements referred to above as a whole.

In performing an audit in accordance with generally accepted auditing standards, 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 Manti 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 Manti 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 Manti 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.

Opinion on Compliance

In our opinion, Manti City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City for the year ended June 30, 2025.

Report on Internal Control Over Compliance

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

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 detect and correct noncompliance with a type of compliance requirement on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of 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 type of 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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of Report

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

HintonBurdick, PLLC

HintonBurdick, PLLC

St. George, Utah

December 19, 2025