

Mona Town
Juab County, Utah

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2025

Mona Town
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June 30, 2025

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GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
Mona City, Utah

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Mona City 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 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 Mona City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our objectives to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mona City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mona City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information, and Utah Retirement systems tables, on pages as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2025 on our consideration of Mona City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Mona City's internal control over financial reporting and compliance.

Gilbert & Stewart

GILBERT & STEWART, CPA PC
Provo, Utah
December 3, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Mona City
Management's Discussion and Analysis
June 30, 2025

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

FINANCIAL HIGHLIGHTS

- *Total net position for the City as a whole increased by \$148,257
- *Total unrestricted net position for the City as a whole increased by \$21,400
- *Total net position for governmental activities increased by \$128,696
- *Total net position for business-type activities increased by \$19,561

BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the City. The basic financial statements comprise three components: (1) government wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statement of activities is presented on two pages. The first page reports the extent to which each function or program is self-supporting through fees and intergovernmental aid. The second page identifies the general revenues of the City available to cover any remaining costs of the functions or programs.

Mona City
Management's Discussion and Analysis
June 30, 2025

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

Governmental funds . These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the government fund balance sheet and the government fund statement of the revenues, expenditures, and changes in fund balances provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains one major governmental fund, the general fund.

The City adopts an annual appropriated budget for all its funds. A budgetary comparison schedule has been provided to demonstrate legal compliance with the adopted budget for the general fund.

The basic governmental fund financial statements can be found later in this report; see Table of Contents.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise funds are considered major funds of the City.

The proprietary fund financial statements can be found later in this report; see Table of Contents.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are reported later in this report; see Table of Contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City.

Mona City
Management's Discussion and Analysis
June 30, 2025

FINANCIAL ANALYSIS

Mona City's Net Position

	Governmental Activities		Business-type Activities		Total	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Current and other assets	\$ 1,561,317	1,296,868	1,324,486	1,497,584	2,885,803	2,794,452
Net capital assets	3,775,935	3,895,114	17,635,352	17,809,793	21,411,286	21,704,907
Deferred outflows of resources	37,285	39,047	32,640	34,627	69,925	73,674
Total assets and deferred outflows	5,374,537	5,231,029	18,992,478	19,342,004	24,367,014	24,573,033
Long-term debt outstanding	119,000	127,000	5,750,000	6,083,000	5,869,000	6,210,000
Other liabilities	87,215	64,271	75,546	111,483	162,762	175,754
Deferred inflows of resources	75,011	75,143	198	348	75,209	75,491
Total liabilities and deferred inflows	281,226	266,414	5,825,744	6,194,831	6,106,971	6,461,246
Net position:						
Net investment in capital assets	3,656,935	3,768,114	11,885,352	11,726,793	15,542,286	15,494,907
Restricted	615,124	499,602	422,349	458,392	1,037,472	957,994
Unrestricted	821,252	696,898	859,033	961,987	1,680,285	1,658,885
Total net position	\$ 5,093,310	4,964,614	13,166,733	13,147,173	18,260,044	18,111,787

As noted above, net position may serve over time as a useful indicator of financial position. Total assets exceeded total liabilities and deferred inflow of resources at the close of the year by \$18,260,044, an increase of \$148,257 from the previous year. This change is equivalent to the net income for the year, in private sector terms.

Total unrestricted net position at the end of the year is \$1,680,285 which represents an increase of \$21,400 from the previous year. Unrestricted net position are those resources available to finance day-to-day operations without constraints established by debt covenants, or other legal requirements.

The amount of current and other assets represent the amounts of cash and receivables on hand at the end of each year. Other liabilities are the amounts of current and other liabilities due, at year end, for goods and services acquired.

Changes in capital assets are the result of the difference, in the current year, of the cost of acquisition of capital assets and any depreciation charges on capital assets. Change in long-term debt is the difference in the amount of debt issued and that which has been paid during the year.

Mona City
Management's Discussion and Analysis
June 30, 2025

FINANCIAL ANALYSIS (continued)

Mona City's Change in Net Position

	Governmental Activities		Business-type Activities		Total	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Program revenues:						
Charges for services	\$ 264,660	249,970	1,460,855	1,302,009	1,725,515	1,551,979
Operating grants	210,447	239,177	-	-	210,447	239,177
Capital grants	11,235	14,980	17,316	145,665	28,551	160,645
General revenues:						
Property taxes	82,204	112,944	-	-	82,204	112,944
Sales tax	428,537	400,656	-	-	428,537	400,656
Other taxes	115,891	26,839	-	-	115,891	26,839
Other revenues	78,890	55,146	36,493	39,390	115,382	94,536
Total revenues	1,191,862	1,099,713	1,514,664	1,487,065	2,706,526	2,586,778
Expenses:						
General government	324,422	290,289	-	-	324,422	290,289
Public safety	13,721	37,614	-	-	13,721	37,614
Streets and sanitation	356,563	449,659	-	-	356,563	449,659
Parks and recreation	97,189	120,940	-	-	97,189	120,940
Cemetery	35,166	33,726	-	-	35,166	33,726
Interest expense	3,105	3,509	-	-	3,105	3,509
Water	-	-	345,232	362,807	345,232	362,807
Sewer	-	-	791,996	663,325	791,996	663,325
Natural gas	-	-	590,875	560,447	590,875	560,447
Total expenses	830,166	935,736	1,728,103	1,586,579	2,558,269	2,522,315
Transfers in (out)	(233,000)	(233,000)	233,000	233,000	-	-
Change in net position	\$ 128,696	(69,024)	19,561	133,486	148,257	64,463

For the City as a whole, total revenues increased by \$119,748 compared to the previous year, while total expenses increased by \$35,954. The total net change of \$148,257 is, in private sector terms, the net income for the year which is \$83,794 more than the previous year's net change (net income).

Governmental activities revenues of \$1,191,862 is an increase of \$92,149 from the previous year. This increase is primarily due to an increase in tax revenues. Governmental activities expenses of \$830,166 is a decrease of \$105,570 from the previous year. While general government and cemetery expenses decreased, expenses across all other departments increased during the year.

Business-type activities revenue of \$1,514,664 is an increase of \$27,599 from the previous year. Service revenues increased by \$158,846 and capital grants decreased by \$128,349. Business-type activities expenses of \$1,728,103 is an increase of \$141,524 from the previous year.

Mona City
Management's Discussion and Analysis
June 30, 2025

BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

Some of the more significant changes in fund balances and fund net position, and any restrictions on those amounts, is described below:

General Fund

The fund balance of \$835,920 reflects an increase of \$245,519 from the previous year. Total revenues decreased by \$49,536. Tax revenues, including property taxes and sales taxes, increased by \$37,939. Intergovernmental revenues decreased by \$77,986. Charges for services increased by \$9,650. Impact fees decreased by \$14,980. All other revenues had a net decrease of \$4,159.

Total expenditures increased by \$19,410. Current expenditure changes by department (excluding capital outlay related to that department) were as follows: general government increased by \$39,381, public safety decreased by \$12,868, streets and sanitation increased by \$20,584, parks and recreation increased by \$19,469, and cemetery increased by \$157. Capital outlay expenditures decreased by \$47,000. Transfers out amounted to \$233,000, while last year they were \$590,616.

The fund balance restricted for Class C roads amounts to \$477,899, and the fund balance restricted for construction amounts to \$105,534. The unassigned fund balance is \$252,487.

Water Fund

Net operating income for the year was \$21,391. The change in net position (net income) was \$25,888. The amounts restricted for debt service and construction are \$102,323 and \$25,026, respectively. Unrestricted net position amounts to \$156,715.

Sewer Fund

Net operating loss for the year was \$293,110. The change in net position (net loss) was \$24,752. The amount restricted for construction is \$295,000. Unrestricted net position amounts to a deficit of \$237,951.

Natural Gas Fund

Net operating income for the year was \$18,425. The change in net position (net income) was \$18,425. There were no restrictions on net position. Unrestricted net position amounts to \$940,269.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues for the current year were originally budgeted in the amount of \$1,049,620. This amount was amended during the year to \$1,184,620. Actual revenues amounted to \$1,179,812 which was \$4,808 less than budget.

Expenditures for the current year were originally budgeted in the amount of \$941,725. This amount was amended during the year to \$941,725. Actual expenditures amounted to \$701,294, which was \$240,431 less than the budgeted amount.

Mona City
Management's Discussion and Analysis
June 30, 2025

CAPITAL ASSETS AND DEBT ADMINISTRATION

Mona City's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Capital Assets:						
Land	\$ 2,188,019	2,188,019	210,665	210,665	2,398,684	2,398,684
Water shares and rights	-	-	291,330	291,330	291,330	291,330
Buildings	1,114,628	1,114,628	-	-	1,114,628	1,114,628
Improvements	2,231,879	2,231,879	-	-	2,231,879	2,231,879
Machinery and equipment	327,942	327,942	89,232	89,232	417,174	417,174
Water distribution system	-	-	5,535,072	3,557,838	5,535,072	3,557,838
Sewer system	-	-	18,378,496	18,378,496	18,378,496	18,378,496
Gas distribution system	-	-	611,456	611,456	611,456	611,456
Work in progress	-	14,500	543,102	2,094,342	543,102	2,108,842
Total capital assets	5,862,468	5,876,968	25,659,353	25,233,359	31,521,821	31,110,326
Less Accumulated Depreciation	(2,086,533)	(1,967,354)	(8,024,001)	(7,422,325)	(10,110,534)	(9,389,679)
Net Capital Assets	\$ 3,775,935	3,909,614	17,635,352	17,811,034	21,411,286	21,720,648

The total amount of capital assets, net of depreciation, of \$21,411,286 has decreased by \$309,361 from the previous year.

Governmental activities capital assets, net of depreciation, of \$3,775,935 represents a decrease of \$133,679 from the previous year. The amount of decreases in capital asset balances, net of depreciation, represent the amount that depreciation charged on capital assets exceeded new investment in capital assets.

Business-type activities capital assets, net of depreciation, of \$17,635,352 decreased during the year by \$175,682. The amount of decreases in capital asset balances, net of depreciation, represent the amount that depreciation charged on capital assets exceeded new investment in capital assets.

Additional information regarding capital assets may be found in the notes to financial statements.

Mona City
Management's Discussion and Analysis
June 30, 2025

Mona City's Outstanding Debt

	Current Year	Previous Year
Governmental activities:		
2017 Lease Revenue Bond	\$ 119,000	127,000
Total governmental	\$ 119,000	127,000
Business-type activities:		
1999 Water Revenue	\$ 49,000	97,000
2023 Water Master Plan	24,000	32,000
2010 Sewer Revenue	4,535,000	4,775,000
2022 Water Revenue	145,000	150,000
2022 Water Improvement Bonds	997,000	1,029,000
Total business-type	\$ 5,750,000	6,083,000
Total outstanding debt	\$ 5,869,000	6,210,000

Additional information regarding the long-term liabilities may be found in the notes to financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

No significant economic changes that would affect the City are expected for the next year. Budgets have been set on essentially the same factors as the current year being reported.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Mona City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Mona City Director of Finance, P.O. Box 69, 50 West Center, Mona, UT 84645.

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BASIC FINANCIAL STATEMENTS

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Mona City
STATEMENT OF NET POSITION
June 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Current assets:			
Cash and cash equivalents	\$ 831,875	785,028	1,616,902
Accounts receivable, net	114,319	117,110	231,429
Total current assets	<u>946,194</u>	<u>902,137</u>	<u>1,848,331</u>
Non-current assets:			
Restricted cash and cash equivalents	615,124	422,349	1,037,472
Capital assets:			
Not being depreciated	2,188,019	1,045,097	3,233,116
Net of accumulated depreciation	<u>1,587,916</u>	<u>16,590,254</u>	<u>18,178,170</u>
Total non-current assets	<u>4,391,058</u>	<u>18,057,700</u>	<u>22,448,758</u>
Total assets	<u>5,337,252</u>	<u>18,959,838</u>	<u>24,297,089</u>
Deferred outflows of resources - pensions	37,285	32,640	69,925
Total assets and deferred outflows of resources	<u>\$ 5,374,537</u>	<u>18,992,478</u>	<u>24,367,014</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 57,217	39,439	96,656
Compensated absences	2,035	4,960	6,995
Accrued interest payable	987	6,016	7,003
Revenue bonds due within one year	<u>9,000</u>	<u>337,000</u>	<u>346,000</u>
Total current liabilities	<u>69,239</u>	<u>387,415</u>	<u>456,655</u>
Non-current liabilities:			
Revenue bonds due after one year	110,000	5,413,000	5,523,000
Net pension liability	<u>26,976</u>	<u>25,131</u>	<u>52,107</u>
Total non-current liabilities	<u>136,976</u>	<u>5,438,131</u>	<u>5,575,107</u>
Total liabilities	<u>206,215</u>	<u>5,825,546</u>	<u>6,031,762</u>
Deferred inflows of resources - property taxes	74,750	-	74,750
Deferred inflows of resources - pensions	261	198	459
Total liabilities and deferred inflows of resources	<u>281,226</u>	<u>5,825,744</u>	<u>6,106,971</u>
NET POSITION			
Net investment in capital assets	3,656,935	11,885,352	15,542,286
Restricted for:			
Debt service	12,482	102,323	114,804
Class C Roads	477,899	-	477,899
Construction	105,534	320,026	425,559
Perpetual care	19,210	-	19,210
Unrestricted	<u>821,252</u>	<u>859,033</u>	<u>1,680,285</u>
Total net position	<u>5,093,310</u>	<u>13,166,733</u>	<u>18,260,043</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 5,374,537</u>	<u>18,992,478</u>	<u>24,367,014</u>

The notes to the financial statements are an integral part of this statement.

Mona City
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue (To Next Page)
<u>FUNCTIONS/PROGRAMS:</u>					
Primary government:					
Governmental activities:					
General government	\$ 324,422	32,715	-	-	(291,707)
Public safety	13,721	1,020	-	-	(12,701)
Streets and sanitation	356,563	164,323	210,447	-	18,208
Parks and recreation	97,189	46,851	-	11,235	(39,102)
Cemetery	35,166	19,750	-	-	(15,416)
Interest on long-term debt	3,105	-	-	-	(3,105)
Total governmental activities	830,166	264,660	210,447	11,235	(343,825)
Business-type activities:					
Water	345,232	352,669	-	9,666	17,103
Sewer	791,996	498,886	-	7,650	(285,460)
Natural gas	590,875	609,300	-	-	18,425
Total business-type activities	1,728,103	1,460,855	-	17,316	(249,932)
Total primary government	\$ 2,558,269	1,725,515	210,447	28,551	(593,757)

(continued on next page)

The notes to the financial statements are an integral part of this statement.

Mona City
STATEMENT OF ACTIVITIES (continued)
For the Year Ended June 30, 2025

	Governmental Activities	Business-type Activities	Total
CHANGES IN NET POSITION:			
Net (expense) revenue (from previous page)	\$ (343,825)	(249,932)	(593,757)
General revenues:			
Property taxes	82,204	-	82,204
Sales tax	428,537	-	428,537
Other taxes	115,891	-	115,891
Unrestricted investment earnings	73,041	36,493	109,534
Miscellaneous	5,848	-	5,848
Total general revenues	705,521	36,493	742,013
Transfers in (out)	(233,000)	233,000	-
Change in net position	128,696	19,561	148,257
Net position - beginning	4,964,614	13,147,173	18,111,787
Net position - ending	\$ 5,093,310	13,166,733	18,260,043

The notes to the financial statements are an integral part of this statement.

Mona City
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2025

	General	Non-Major			Total
	Fund	Capital Projects	Building Authority	Perpetual Care Fund	Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 270,136	561,739	-	-	831,875
Receivables:					
Customer accounts, net	6,977	-	-	-	6,977
Property taxes	75,466	-	-	-	75,466
Due from other governments	31,876	-	-	-	31,876
Restricted cash and cash equivalents	583,432	-	12,482	19,210	615,124
TOTAL ASSETS	\$ 967,887	561,739	12,482	19,210	1,561,317
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Liabilities:					
Accounts payable	\$ 57,217	-	-	-	57,217
Total liabilities	57,217	-	-	-	57,217
Deferred inflows of resources	74,750	-	-	-	74,750
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	131,967	-	-	-	131,967
FUND BALANCES					
Nonspendable:					
Perpetual Care	-	-	-	19,210	19,210
Restricted for:					
Debt service	-	-	12,482	-	12,482
Park impact fees	105,534	-	-	-	105,534
Class C Roads	477,899	-	-	-	477,899
Assigned for:					
Capital projects	-	561,739	-	-	561,739
Unassigned	252,487	-	-	-	252,487
TOTAL FUND BALANCES	835,920	561,739	12,482	19,210	1,429,350
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 967,887	561,739	12,482	19,210	1,561,317

The notes to the financial statements are an integral part of this statement.

Mona City
**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**
For the Year Ended June 30, 2025

	General Fund	Capital Projects	Non-Major Building Authority	Perpetual Care Fund	Total Governmental Funds
REVENUES:					
Taxes:					
Property	\$ 82,204	-	-	-	82,204
Sales	428,537	-	-	-	428,537
Other taxes	115,891	-	-	-	115,891
License and permits	16,285	-	-	-	16,285
Intergovernmental revenues	210,447	-	-	-	210,447
Charges for services	236,324	-	11,375	675	248,374
Impact fees	11,235	-	-	-	11,235
Interest	73,041	-	-	-	73,041
Miscellaneous revenue	5,848	-	-	-	5,848
Total revenues	1,179,812	-	11,375	675	1,191,862
EXPENDITURES:					
Current:					
General government	297,313	-	-	-	297,313
Public safety	13,721	-	-	-	13,721
Streets and sanitation	273,588	-	-	-	273,588
Parks and recreation	91,002	-	-	-	91,002
Cemetery	25,669	-	-	-	25,669
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	8,000	-	8,000
Interest	-	-	3,175	-	3,175
Total expenditures	701,294	-	11,175	-	712,469
Excess (Deficiency) of Revenues over (Under) Expenditures	478,519	-	200	675	479,394
Other Financing Sources and (Uses):					
Transfers in	-	-	-	-	-
Transfers out	(233,000)	-	-	-	(233,000)
Total other financing sources and (uses)	(233,000)	-	-	-	(233,000)
Net Change in Fund Balance	245,519	-	200	675	246,394
Fund balances - beginning of year	590,401	561,739	12,282	18,535	1,182,956
Fund balance - end of year	\$ 835,920	561,739	12,482	19,210	1,429,350

The notes to the financial statements are an integral part of this statement.

Mona City
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2025

Total Fund Balance for Governmental Funds	<u>\$ 1,429,350</u>
Total net assets reported for governmental activities in the statement is different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds:	
Capital assets, at cost	5,862,468
Less accumulated depreciation	<u>(2,086,533)</u>
Net capital assets	<u>3,775,935</u>
Net pension asset	<u>-</u>
Deferred outflows of resources - pensions, a consumption of net position that applies to future periods, is not shown in the funds statements.	<u>37,285</u>
Long-term liabilities, for funds other than enterprise funds, are recorded in the government-wide statements but not in the fund statements.	
Compensated absences	<u>(2,035)</u>
Long-term debt outstanding	<u>(119,000)</u>
Accrued interest	<u>(987)</u>
Net pension liability	<u>(26,976)</u>
Deferred inflows of resources - pensions	<u>(261)</u>
Total Net Position of Governmental Activities	<u>\$ 5,093,310</u>

The notes to the financial statements are an integral part of this statement.

Mona City
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 246,394</u>
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with a material cost are capitalized and the cost so allocated over their estimated useful lives and reported as depreciation expenses.

Capital outlays	-
Depreciation expense	<u>(119,179)</u>
Net	<u>(119,179)</u>

The Statement of Activities show pension benefits and pension expenses from the adoption of GASB 68 that are not shown in the fund statements.	<u>(6,653)</u>
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Long-term debt principal repayments	<u>8,000</u>
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Accrued interest for long-term debt is not reported as an expenditures for the current period, while it is recorded in the statement of activities.

Change in accrued interest	<u>70</u>
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Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Change in compensated absence liability	<u>65</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 128,696</u></u>
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The notes to the financial statements are an integral part of this statement.

Mona City
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2025

	Water Fund	Sewer Fund	Natural Gas	Total Enterprise Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Current assets:				
Cash and cash equivalents	\$ 152,297	-	632,731	785,028
Accounts receivable, net	15,501	28,655	72,953	117,110
Due from other funds	-	-	253,253	253,253
Total current assets	<u>167,798</u>	<u>28,655</u>	<u>958,937</u>	<u>1,155,390</u>
Non-current assets:				
Restricted cash and cash equivalents	127,349	295,000	-	422,349
Capital assets:				
Not being depreciated	300,830	744,267	-	1,045,097
Net of accumulated depreciation	<u>4,009,024</u>	<u>12,361,801</u>	<u>219,430</u>	<u>16,590,254</u>
Total non-current assets	<u>4,437,202</u>	<u>13,401,068</u>	<u>219,430</u>	<u>18,057,700</u>
Total assets	<u>4,605,001</u>	<u>13,429,723</u>	<u>1,178,367</u>	<u>19,213,090</u>
Deferred outflows of resources - pensions	14,609	-	18,031	32,640
Total assets and deferred outflows of resources	<u>\$ 4,619,610</u>	<u>13,429,723</u>	<u>1,196,398</u>	<u>19,245,730</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 6,379	13,353	19,707	39,439
Compensated absences	2,051	-	2,909	4,960
Due to other funds	-	253,253	-	253,253
Accrued interest payable	6,016	-	-	6,016
Revenue bonds, current portion	94,000	243,000	-	337,000
Total current liabilities	<u>108,446</u>	<u>509,606</u>	<u>22,616</u>	<u>640,668</u>
Non-current liabilities:				
Revenue bonds, long-term	1,121,000	4,292,000	-	5,413,000
Net pension liability	11,156	-	13,975	25,131
Total non-current liabilities	<u>1,132,156</u>	<u>4,292,000</u>	<u>13,975</u>	<u>5,438,131</u>
Total liabilities	<u>1,240,602</u>	<u>4,801,606</u>	<u>36,591</u>	<u>6,078,799</u>
Deferred inflows of resources - pensions	90	-	108	198
Total liabilities and deferred inflows of resources	<u>1,240,692</u>	<u>4,801,606</u>	<u>36,699</u>	<u>6,078,997</u>
NET POSITION				
Net investment in capital assets	3,094,854	8,571,068	219,430	11,885,352
Restricted for:				
Construction	25,026	295,000	-	320,026
Debt service	102,323	-	-	102,323
Unrestricted	156,715	(237,951)	940,269	859,033
Total net position	<u>3,378,918</u>	<u>8,628,116</u>	<u>1,159,699</u>	<u>13,166,733</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 4,619,610</u>	<u>13,429,723</u>	<u>1,196,398</u>	<u>19,245,730</u>

The notes to the financial statements are an integral part of this statement.

Mona City
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	Water Fund	Sewer Fund	Natural Gas	Total Enterprise Funds
Operating income:				
Charges for sales and service	\$ 337,593	498,886	592,469	1,428,949
Connection fees	15,026	-	13,289	28,315
Other operating income	50	-	3,542	3,592
Total operating income	352,669	498,886	609,300	1,460,855
Operating expenses:				
Personnel services	85,056	63,367	108,681	257,104
Cost of sales	38,152	-	427,946	466,098
Utilities	13,427	66,050	3,004	82,481
Repair and maintenance	66,009	175,511	35,823	277,343
Other supplies and expenses	5,806	22,581	1,060	29,447
Depreciation expense	122,829	464,487	14,360	601,676
Total operating expense	331,279	791,996	590,875	1,714,150
Net operating income (loss)	21,391	(293,110)	18,425	(253,295)
Non-operating income (expense):				
Impact fees	9,666	7,650	-	17,316
Interest income	8,784	27,708	-	36,493
Interest on long-term debt	(13,953)	-	-	(13,953)
Total non-operating income (expense)	4,497	35,358	-	39,855
Income (loss) before transfers and capital contributions	25,888	(257,752)	18,425	(213,439)
Capital contributions	-	-	-	-
Transfers in (out)	-	233,000	-	233,000
Change in net position	25,888	(24,752)	18,425	19,561
Net position - beginning	3,353,030	8,652,868	1,141,274	13,147,173
Net position - ending	\$ 3,378,918	8,628,116	1,159,699	13,166,733

The notes to the financial statements are an integral part of this statement.

Mona City
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	Water Fund	Sewer Fund	Natural Gas	Total Enterprise Funds
Cash flows from operating activities:				
Cash received from customers - service	\$ 361,979	500,883	611,801	1,474,663
Cash paid to suppliers	(152,173)	(254,838)	(488,260)	(895,272)
Cash paid to employees	(81,866)	(63,367)	(104,899)	(250,131)
Net cash provided (used) in operating activities	127,940	182,678	18,642	329,260
Cash flows from noncapital financing activities:				
Net interfund activity	-	440,177	(207,177)	233,000
Net cash provided (used) in noncapital financing activities	-	440,177	(207,177)	233,000
Cash flows from capital and related financing activities:				
Cash from impact fees	9,666	7,650	-	17,316
Cash from capital grants	-	-	-	-
Cash from debt proceeds	-	-	-	-
Cash payments for capital assets	(9,021)	(418,213)	-	(427,234)
Cash payments for long-term debt principal	(93,000)	(240,000)	-	(333,000)
Cash payments for long-term debt interest	(15,124)	-	-	(15,124)
Net cash provided (used) in capital and related financing activities	(107,479)	(650,563)	-	(758,042)
Cash flows from investing activities:				
Cash received from interest earned	8,784	27,708	-	36,493
Net cash provided (used) in investing activities	8,784	27,708	-	36,493
Net increase (decrease) in cash	29,245	-	(188,535)	(159,289)
Cash balance, beginning	250,401	295,000	821,265	1,366,666
Cash balance, ending	\$ 279,646	295,000	632,731	1,207,377
Cash reported on the statement of net position:				
Cash and cash equivalents	\$ 152,297	-	632,731	785,028
Non-current restricted cash	127,349	295,000	-	422,349
Total cash and cash equivalents	\$ 279,646	295,000	632,731	1,207,377

The notes to the financial statements are an integral part of this statement.

Mona City
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (continued)
For the Year Ended June 30, 2025

**Reconciliation of Operating Income to Net Cash
Provided (Used) in Operating Activities:**

	Water Fund	Sewer Fund	Natural Gas	Total Enterprise Funds
Net operating income (expense)	\$ 21,391	(293,110)	18,425	(253,295)
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:				
Depreciation and amortization	122,829	464,487	14,360	601,676
Changes in assets and liabilities:				
(Increase) decrease in receivables	9,310	1,997	2,501	13,808
(Increase) decrease in net pension asset	-	-	-	-
(Increase) decrease in deferred outflows	862	-	1,125	1,987
Increase (decrease) in payables	(28,779)	9,303	(20,426)	(39,902)
Increase (decrease) in compensated absences	(65)	-	(463)	(528)
Increase (decrease) in net pension liability	2,458	-	3,206	5,664
Increase (decrease) in deferred inflows	(65)	-	(85)	(150)
Net cash provided (used) in operating activities	\$ 127,940	182,678	18,642	329,260

The notes to the financial statements are an integral part of this statement.

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1-A. Reporting entity

Mona City (the City), a municipal corporation located in Juab County, Utah, operates under a Mayor-Council form of government. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable.

The City has no component units and is not a component unit of another entity.

1-B. Government-wide and fund financial statements

Government-wide Financial Statements

The government-wide financial statements, consisting of the statement of net position and the statement of changes in net position report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund 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 net position reports the financial position of the governmental and business-type activities of the City and its discretely presented component units at year-end.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expenses are not allocated. All expenses are included in the applicable function. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privilege 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*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, if any, 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 statement.

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

1-C. Measurement focus, basis of accounting and financial statement presentation

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, generally including the reclassification of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments or payments to the general fund by other funds for providing administrative and billing services for such funds. Reimbursements are reported as reductions to expenses. Proprietary and any fiduciary fund financial statements are also reported using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when the grantor eligibility requirements are 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. The City 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, sales taxes, intergovernmental revenues, 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. Only the portion of special assessments, if any, receivable within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating income and expense reported in proprietary fund financial statements include those revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services, including administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Policy regarding use of restricted resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. *Restricted assets, non-current* reports assets restricted for acquisition or construction of non-current assets, or are restricted for liquidation of long-term debt.

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

1-D. Fund types and major funds

Governmental funds

The City reports the following major governmental funds:

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

The City reports the following as non-major governmental funds:

The *capital projects fund* is used to account for the acquisition or construction of major capital facilities of the City (other than those financed by proprietary funds).

The *building authority fund* is used to account for lease revenues from the City that are intended for the repayment of debt issued by the Local Building Authority.

The *perpetual care fund* accounts for money received for upkeep and perpetual care of cemetery plots.

Proprietary funds

The City reports the following major proprietary funds:

The *water fund* is used to account for the activities of the culinary water production, treatment and distribution.

The *sewer fund* is used to account for the activities of the sewer system and its operations.

The *natural gas fund* is used to account for the activities of the natural gas distribution operations.

1-E. Assets, Liabilities, and Net Position or Equity

1-E-1. Deposit and Investments

All of the City's deposits are in demand deposit accounts or in accounts with the Utah Public Treasurers Investments Fund. Deposits are reported at cost, which approximates fair value. Additional information is contained in Note 3.

1-E-2. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

1-E-3. Receivables and Payables

Accounts receivable other than property taxes and intergovernmental receivables are from customers primarily for utility services. Property tax and intergovernmental receivables are considered collectible. Customer accounts are reported net of an allowance for uncollectible accounts. The allowance amount is estimated using accounts receivable past due more than 90 days.

During the course of operations, there may be transactions occur between funds that are representative of lending/borrowing arrangements outstanding at year-end. These are reported as either *due to or due from other funds*.

Property taxes are assessed and collected for the City by Juab County and remitted to the City shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1 and are delinquent after November 30. All dates are in the year of levy.

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

1-E. Assets, Liabilities, and Net Position or Equity (continued)

1-E-4. Restricted Assets

In accordance with certain revenue bond covenants, resources may be required to be set aside for the repayment of such bonds, and, on occasion, for the repair and maintenance of the assets acquired with the bond proceeds. These resources are classified as restricted assets on the balance sheet because of their limited use. Most capital grant agreements mandate that grant proceeds be spent only on capital assets. Unspent resources of this nature are also classified as restricted. The limited use resources described above involve a reported restriction of both cash and net position.

Unspent proceeds of bonds issued to finance capital assets are also reported as restricted cash.

1-E-5. Inventories and Prepaid items

Inventories in governmental funds are not reported. These consist of immaterial amounts of expendable supplies for consumption. Such supplies are acquired as needed. Proprietary fund inventories, where material, are stated at the lower of cost or market, using the first-in, first-out basis.

Prepaid items record payments to vendors that benefit future reporting and are reported on the consumption basis. Both inventories and prepayments are similarly reported in government-wide and fund financial statements.

1-E-6. Capital Assets

Capital assets includes property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and 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 significant cost and an estimated useful life in excess of two years. Such assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure is depreciated.

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend the assets' life is 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.

Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives.

Property, plant, and equipment of the primary government, as well as the component units if any, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-60
Improvements	20-60
Infrastructure	20-35
Machinery and equipment	5-20

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

1-E. Assets, Liabilities, and Net Position or Equity (continued)

1-E-7. Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the terms of the respective bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Significant or material bond issuance costs are reported as deferred charges.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

1-E-8. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and comp time benefits. The liability for these compensated absences is recorded as long-term liabilities in the governmentwide statements. The current portion is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as incurred. Accumulated holiday and sick leave hours are not paid out upon termination and are not accrued in the financial statements.

1-E-8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources relating to pensions as required by GASB 68.

In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City has two types of items that qualify for reporting in this category. The governmental funds report deferred revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period for which they are levied. The City also reports deferred inflows related to pensions as required by GASB 68.

1-E-10. Pensions

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

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

1-E. Assets, Liabilities, and Net Position or Equity (continued)

1-E-11. Fund Equity

Government-wide Financial Statements

Equity is classified in the government-wide financial statements as net position and is displayed in three components:

Net investment in capital assets - Capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - Net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements

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. Descriptions of each follow:

Nonspendable fund balance - This 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. Fund balance amounts related to inventories, prepaid expenditures, and endowments are classified as nonspendable.

Restricted fund balance - This classification includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of the government or b) imposed by law through constitutional provisions or enabling legislation. The City's remaining balance of Class C Road cash is restricted

Committed fund balance - This classification includes amounts that can only be used for specific purposes established by formal action of the City Council, with is the City's highest level of decision making authority. Fund balance commitments can only be removed or changed by the same type of action (for example resolution) of the City Council. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City has not committed any fund balance amounts.

Assigned fund balance - This classification includes amounts that the City intends to be used for a specific purpose but are neither restricted nor committed. These are established by the City Council. This category includes the remaining positive fund balances for governmental funds other than the general fund.

Unassigned fund balance - Residual classification of the General Fund. This classification represents fund balance that has not been 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.

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

1-E. Assets, Liabilities, and Net Position or Equity (continued)

1-E-10. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results may differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2-A. Budgetary data

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and City Council on or before June 22 for the following fiscal year beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the City's budgetary control (the level at which the City's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the appropriation of unreserved General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Any unreserved General Fund balance greater than 35% of the next year's budgeted revenues must be appropriated within the following two years.

Once adopted, budget amendments which increase total expenditures must be approved by the City Council following a public hearing. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 3 - DETAILED NOTES

3-A. Deposits and investments

Cash and investments as of June 30, 2025, consist of the following:

	<u>Fair Value</u>
Deposits:	
Cash on hand	\$ 336
Demand deposits - checking	250,815
Deposits - PTIF	<u>2,403,223</u>
Total deposits and investments	<u>\$ 2,654,375</u>

Cash and investments listed above are classified in the accompanying government-wide statement of net position as follows:

Cash and cash equivalents (current)	\$ 1,616,902
Restricted cash and cash equivalents (non-current)	<u>1,037,472</u>
Total cash and cash equivalents	<u>\$ 2,654,375</u>

The Utah Money Management Act (UMMA) establishes specific requirements regarding deposits of public funds by public treasurers. UMMA requires that city funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by the Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares. The City maintains monies not immediately needed for expenditure in PTIF accounts.

Deposit and Investment Risk

The City maintains no investment policy containing any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk other than that imposed by UMMA. The City's compliance with the provisions of UMMA addresses each of these risks.

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3-A. Deposits and investments (continued)

Fair Value of Investments

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows: Level 1--Quoted prices for identical investments in active markets; Level 2—Observable inputs other than quoted market prices; and, Level 3--Unobservable inputs. At June 30, 2025, the District had \$2,403,223 invested in the PTIF, which uses a Level 2 fair value measurement.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. All deposits of the City are kept in bank demand deposits or PTIF accounts and are available immediately.

Credit risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. As noted on the previous page, PTIF is unrated.

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. At June 30, 2025, all of the City's demand deposits were covered by FDIC insurance.

Custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City views its placements of moneys in PTIF as deposits, however, this risk is addressed through the policy of investing excess monies only in PTIF.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

3-B. Receivables

The allowance policy is described in Note 1-E-3. All receivable amounts are deemed collectible, so there is no allowance. Receivables as of June 30, 2025, for the City's funds are shown below:

	Governmental Activities	Business-type Activities	Total
Taxes	\$ 75,466	-	75,466
Customers, current	6,977	120,233	127,210
Class C Roads	31,876	-	31,876
Total receivables	114,319	120,233	234,552
Allowance for uncollectibles	-	(3,124)	(3,124)
Net receivables	\$ 114,319	117,110	231,429

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3-C. Capital Assets

Capital asset activity for the governmental activities was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land rights	\$ 2,188,019	-	-	2,188,019
Work in progress	-	-	-	-
Total capital assets, not being depreciated	2,188,019	-	-	2,188,019
Capital assets, being depreciated:				
Buildings	1,114,628	-	-	1,114,628
Improvements other than buildings	2,231,879	-	-	2,231,879
Machinery and equipment	327,942	-	-	327,942
Total capital assets, being depreciated	3,674,449	-	-	3,674,449
Less accumulated depreciation for:				
Buildings	322,003	32,423	-	354,427
Improvements other than buildings	1,516,124	68,861	-	1,584,985
Machinery and equipment	129,227	17,895	-	147,121
Total accumulated depreciation	1,967,354	119,179	-	2,086,533
Total capital assets being depreciated, net	1,707,095	(119,179)	-	1,587,916
Governmental activities capital assets, net	\$ 3,895,114	(119,179)	-	3,775,935

Depreciation expense was charged to functions/programs of the primary government governmental activities as follows:

Governmental activities:	
General government	\$ 23,715
Highways and public improvements	79,780
Parks and recreation	6,187
Cemetery	9,498
Total	\$ 119,179

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3-C. Capital assets (continued)

Capital asset activity for business-type activities was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 210,665	-	-	210,665
Water rights	291,330	-	-	291,330
Work in progress	2,093,101	427,235	1,977,233	543,102
Total capital assets, not being depreciated	2,595,096	427,235	1,977,233	1,045,097
Capital assets, being depreciated:				
Water system	3,557,838	1,977,233	-	5,535,072
Sewer system	18,378,496	-	-	18,378,496
Natural gas	611,456	-	-	611,456
Machinery and equipment	89,232	-	-	89,232
Total capital assets, being depreciated	22,637,022	1,977,233	-	24,614,255
Less accumulated depreciation for:				
Water system	1,418,308	119,762	-	1,538,070
Sewer system	5,552,208	464,487	-	6,016,695
Natural gas	386,022	13,010	-	399,032
Machinery and equipment	65,787	4,417	-	70,204
Total accumulated depreciation	7,422,325	601,676	-	8,024,001
Total capital assets being depreciated, net	15,214,697	1,375,557	-	16,590,254
Business-type activities capital assets, net	\$ 17,809,793	1,802,792	1,977,233	17,635,352

Depreciation expense was charged to functions/programs of the primary government business-type activities as follows:

Business-type activities:

Water system	\$ 122,829
Sewer system	464,487
Natural gas	14,360
Total	\$ 601,676

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3-D. Long-term debt

Governmental activities:

	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2017 Lease Revenue Bond							
Matures 3/1/2037	\$ 180,000	2.50	\$ 127,000	-	8,000	119,000	9,000
Total governmental activity							
long-term liabilities			\$ 127,000	-	8,000	119,000	9,000

Debt service requirements to maturity for governmental activities are as follows:

	Principal	Interest	Total
2026	\$ 9,000	2,961	11,961
2027	9,000	2,746	11,746
2028	9,000	2,526	11,526
2029	9,000	2,301	11,301
2030	9,000	2,070	11,070
2031 - 2035	51,000	6,674	57,674
2036 - 2037	23,000	838	23,838
Total	\$ 119,000	20,117	139,117

Business-type activities:

	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
1999 Water Revenue							
Matures 1/1/2026	\$ 752,000	4.25	\$ 97,000	-	48,000	49,000	49,000
2023 Water Master Plan							
Matures 10/01/2027	40,000	-	32,000	-	8,000	24,000	8,000
2010 Sewer Revenue							
Matures 3/1/2042	7,350,000	-	4,775,000	-	240,000	4,535,000	243,000
2022 Water Revenue							
Matures 1/1/2052	160,000	0.50	150,000	-	5,000	145,000	5,000
2022 Water Improvement Bonds							
Matures 2/1/2052	1,092,000	1.00	1,029,000	-	32,000	997,000	32,000
Total business-type activity							
long-term liabilities			\$ 6,083,000	-	333,000	5,750,000	337,000

The 1998 water revenue bonds were issued to improve the City's water system. The City has pledged the water revenues to repay the revenue bonds through the maturity date listed above. Annual principal and interest payments are expected to require less than forty percent of the total water revenues.

The sewer revenue bonds were issued to construct a new sewer plant and to install sewer lines. The City has pledged the sewer revenues to repay the revenue bonds through the maturity dates listed above. Annual principal and interest payments are expected to require less than eighty percent of the total sewer revenues.

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3-D. Long-term debt (continued)

The 2022 water improvement bonds were issued to improve the City's water system and construct a new water tank. The City has pledged water revenues to repay the revenue bonds through the maturity date listed above.

The 2022 water revenue bonds were issued to improve the City's water system. The City has pledged water revenues to repay the revenue bonds through the maturity date listed above.

The 2023 water master plan bonds were issued to update the City water master plan. The City has pledged water revenues to repay the revenue bonds through the maturity date listed above.

Revenue bond debt service requirements to maturity for business-type activities are as follows:

	Principal	Interest	Total
2026	\$ 337,000	12,033	349,033
2027	293,000	12,110	305,110
2028	296,000	9,320	305,320
2029	292,000	8,990	300,990
2030	296,000	8,660	304,660
2031 - 2035	1,511,000	38,170	1,549,170
2036 - 2040	1,592,000	29,340	1,621,340
2041 - 2045	806,000	20,040	826,040
2046 - 2050	231,000	7,820	238,820
2051 - 2052	96,000	1,260	97,260
Total	\$ 5,750,000	147,743	5,897,743

Other long-term liabilities:

	Beginning	Increase (Decrease)	Ending
Net pension liability:			
Governmental	\$ 21,953	5,023	26,976
Business-type	10,769	14,362	25,131
Total	\$ 32,722	19,385	52,107

	Beginning	Increase (Decrease)	Ending
Compensated absences:			
Governmental	\$ 2,100	(65)	2,035
Business-type	5,488	(528)	4,960
Total	\$ 7,588	(593)	6,995

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 4 - OTHER INFORMATION

4-A. 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 Trust, a public agency insurance mutual, which provides coverage for property damage and general liability. The City is subject to a minimal deductible for claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Amounts of settlements have not exceeded insurance coverage in any of the past three fiscal years.

4-B. Subsequent Events

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 3, 2025, the date the financial statements were available to be used.

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

4-D. Pension Plans

General Information about the 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:

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

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 Town, Utah 84102 or visiting the website: www.urs.org/general/publications.

Benefits provided:

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

System	Final Average Salary	Years of service required	Benefit percentage per year of service	Cola **
		and/or age eligible for benefit		
Noncontributory System	Highest 3 Years	30 years any age	2.0% per year all years	Up to 4%
		25 years any age*		
		20 years age 60*		
		10 years age 62*		
		4 years age 65		
Tier 2 Public Employees System	Highest 5 Years	35 years any age	1.5% per year all years	Up to 2%
		20 years age 60*		
		10 years age 62*		
		4 years age 65		

* with actuarial reductions

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

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

4-D. Pension Plans (continued)

Contributions: 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:

Utah Retirement Systems	Employee	Employer	Employer 401(k) Plan
Contributory System			
111 - Local Government Div - Tier 2	-	15.19	0.70
Noncontributory System			
15 - Local Government Div - Tier 1	-	16.97	-
Tier 2 DC Only			
211 Local Government	-	5.19	10.00

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

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

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 3,363	2,127
Tier 2 Public Employee System	28,650	10,932
Total Contributions	\$ 32,012	13,059

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.

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 \$52,107.

(Measurement Date): December 31, 2024					
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share 12/31/2023	Change (Decrease)
Noncontributory System	\$ -	\$ 27,768	0.0087565%	0.0101949%	-0.0014384%
Tier 2 Public Employees System	-	24,339	0.0081610%	0.0054604%	0.0027006%
Total	\$ -	\$ 52,107			

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

4-D. Pension Plans (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 recognize pension expense of \$53,288.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 27,068	\$ 168
Changes in assumptions	10,426	3
Net difference between projected and actual earnings on pension plan investments	9,920	-
Changes in proportion and differences between and proportionate share of contributions	4,766	289
Contributions subsequent to the measurement date	17,745	-
Total	\$ 69,925	\$ 459

\$17,745 was 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:

<u>Year Ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources
2025	\$ 19,329
2026	19,924
2027	(1,551)
2028	1,683
2029	5,466
Thereafter	6,869

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

4-D. Pension Plans (continued)

Actuarial assumptions:

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

Inflation	2.50 Percent
Salary increases	3.5 - 9.5 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best- estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. 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:

Assets 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	100.00%		5.80%
	Inflation		2.50%
	Expected arithmetic nominal return		8.30%

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

Mona City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

4-DNote. Pension Plans (continued)

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.

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	\$ 117,436	\$ 27,768	\$ (47,434)
Tier 2 Public Employees System	72,696	24,339	(13,277)
Total	\$ 190,132	\$ 52,107	\$ (60,711)

Pension plan fiduciary net position:

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

Defined Contribution Savings Plan:

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. Mona City participates in the 401(k) and the Roth IRA Defined Contribution Savings Plans with URS.

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

	2025	2024	2023
401(k) Plan			
Employer Contributions	\$ -	\$ 368	\$ 326
Employee Contributions	-	-	-
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	2,580	3,960	3,960

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Mona City
Notes to Required Supplementary Information
June 30, 2025

Budgetary Comparison Schedules

The Budgetary Comparison Schedule presented in this section of the report is for the City's General Fund.

Budgeting and Budgetary Control

The budget for the General Fund is legally required and is prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the City Council prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Current Year Excess of Expenditures over Appropriations

For the year ended June 30, 2025, departmental expenditures were under appropriations.

Changes in Assumptions Related to Pensions

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

Mona City
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2025

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 559,520	609,520	626,631	17,111
License and permits	32,100	32,100	16,285	(15,815)
Intergovernmental revenues	150,000	210,000	210,447	447
Charges for services	236,000	236,000	236,324	324
Impact fees	20,000	20,000	11,235	(8,765)
Interest	50,000	75,000	73,041	(1,959)
Miscellaneous revenue	2,000	2,000	5,848	3,848
Total revenues	1,049,620	1,184,620	1,179,812	(4,808)
EXPENDITURES:				
General government	367,725	367,725	297,313	70,412
Public safety	34,000	34,000	13,721	20,279
Streets and sanitation	376,000	376,000	273,588	102,412
Parks and recreation	128,000	128,000	91,002	36,998
Cemetery	36,000	36,000	25,669	10,331
Total expenditures	941,725	941,725	701,294	240,431
Excess (deficiency) of revenues over (under) expenditures	107,895	242,895	478,519	235,624
Other Financing Sources and (Uses):				
Transfers out	-	(233,000)	(233,000)	-
Total other financing sources and (uses)	-	(233,000)	(233,000)	-
Excess of revenues and other financing sources over expenditures and uses	\$ 107,895	9,895	245,519	235,624

Mona City
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2025
Last 10 Fiscal Years*

	As of December 31,					
	2024	2023	2022	2021	2020	2019
Noncontributory Retirement System						
Proportion of the net pension liability (asset)	0.0087565%	0.0115469%	0.0101949%	0.0083424%	0.0063847%	0.0005681%
Proportionate share of the net pension liability (asset)	\$ 27,768	\$ 26,784	\$ 17,461	\$ (47,778)	\$ 3,275	\$ 2,141
Covered employee payroll	\$ 25,900	\$ 66,833	\$ 69,383	\$ 56,380	\$ 37,389	\$ -
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	107.21%	40.08%	25.17%	-84.74%	8.76%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	96.02%	96.90%	97.50%	108.70%	99.20%	93.70%
Tier 2 Public Employees Retirement System						
Proportion of the net pension liability (asset)	0.0081610%	0.0075195%	0.0054604%	0.0044400%	0.0045593%	0.0011213%
Proportionate share of the net pension liability (asset)	\$ 24,339	\$ 14,636	\$ 5,946	\$ (1,879)	\$ 656	\$ 252
Covered employee payroll	\$ 241,766	\$ 194,404	\$ 118,531	\$ 82,420	\$ 72,886	\$ 15,485
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	10.07%	7.53%	5.02%	-2.28%	0.90%	1.63%
Plan fiduciary net position as a percentage of the total pension liability	87.44%	89.58%	92.30%	103.80%	98.30%	96.50%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively.

Mona City
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 employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2018	\$ -	\$ -	\$ -	\$ -	0.00%
	2019	-	-	-	-	0.00%
	2020	2,852	2,852	-	15,440	18.47%
	2021	8,192	8,192	-	45,249	18.10%
	2022	12,414	12,414	-	67,211	18.47%
	2023	12,761	12,761	-	71,013	17.97%
	2024	7,833	7,833	-	43,623	17.96%
	2025	3,363	3,363	-	26,550	12.67%
Tier 2 Public Employees System**	2018	\$ -	\$ -	\$ -	\$ -	0.00%
	2019	-	-	-	-	0.00%
	2020	7,887	7,887	-	50,365	15.66%
	2021	12,215	12,215	-	77,308	15.80%
	2022	13,874	13,874	-	86,336	16.07%
	2023	28,969	28,969	-	180,940	16.01%
	2024	32,756	32,756	-	204,596	16.01%
	2025	28,650	28,650	-	251,889	11.37%

* Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. The 10-year schedule will need to be built prospectively.

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

Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and
Members of the City Council
Mona City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mona City (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 3, 2025.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Gilbert & Stewart

GILBERT & STEWART, CPA PC
Provo, Utah
December 3, 2025



GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

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

Honorable Mayor and
Members of the City Council
Mona City, Utah

REPORT ON COMPLIANCE

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

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

- Budgetary Compliance
- Fund Balance
- Restricted Taxes and Related Revenues
- Fraud Risk Assessment
- Government Fees
- Cash Management
- Crime Insurance for Public Treasurers

Opinion on Compliance

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

Basis for Opinion

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

We are required to be independent of Mona City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of Mona City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Mona 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 Mona 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 Mona City's compliance with the requirements of the government program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Mona 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 Mona 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 Mona 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.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose. However, pursuant to *Utah Code* Title 63G, Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

Gilbert & Stewart

GILBERT & STEWART, CPA PC
Provo, UT
December 3, 2025