MAPLETON CITY, UTAH

Basic Financial Statements
and
Required Supplementary Information
with Independent Auditor's Reports

For the Year Ended June 30, 2025

HBME

COMMITTED. EXPERIENCED. TRUSTED.

Mapleton City, Utah
Table of Contents
For the Year Ended June 30, 2025

PAGE(S)

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT *1-3*

MANAGEMENT'S DISCUSSION AND ANALYSIS *4-11*

BASIC FINANCIAL STATEMENTS
Government-wide Financial Statements
Statement of Net Position 14
Statement of Activities 15

Governmental Funds Financial Statements
Balance Sheet – Governmental Funds 16
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position 17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities 19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund 20
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Special Revenue Roads Fund 21

Proprietary Funds Financial Statements
Statement of Net Position – Proprietary Funds 22
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds 23
Statement of Cash Flows – Proprietary Funds 24

Notes to the Financial Statements 25-54

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the Proportionate Share of the Net Pension Liability 56
Schedule of Contributions 57
Notes to the Required Supplementary Information 58

COMPLIANCE SECTION
Independent Auditor's Reports –
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* 61-62
Report On Compliance and Report on Internal Controls Over Compliance as Required By *the Utah State Compliance Audit Guide* 63-65

HBME

COMMITTED. EXPERIENCED. TRUSTED.

PARTNERS

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
JESSE S. MALMROSE, EA
JANICE ANDERSON, EA
TROY F. NILSON, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Mapleton City, Utah (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 as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mapleton City, Utah, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general and special revenue road funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-11 and the pension schedules on pages 56-58 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 18, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

HBME, LLC

December 18, 2025
Bountiful, Utah

As management of Mapleton City, Utah (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with this report.

FINANCIAL HIGHLIGHTS

- The total net position of Mapleton City increased $16,486,179 to $174,184,606. The governmental net position increased by $10,490,814 and the business-type net position increased by $5,995,365.

- The total net position of $174,184,606 consists of $95,568,742 in net investment in capital assets, $12,242,674 restricted for community improvements funded by developer impact and annexation fees, $6,073,611 restricted for Class C Road and related projects, and $1,997,972 for debt service, and $58,301,607 in unrestricted net position (of which $7,299,940 is assigned to future capital projects, $2,304,782 for vehicle purchases and replacement).

- In the Balance Sheet of Governmental Funds, the Capital Projects – City Projects fund balance decreased by $3,347,918. The decrease was primarily due to the interfund note receivable with the Community Network fund for the ongoing fiber network installation.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements, which consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes other supplementary information intended to furnish additional detail to support the basic 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 financial information on all the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference 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 most recent fiscal year. 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 for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both 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 governmental activities of the City include general government, public safety, highways and streets, and culture and recreation. The business-type activities of the City include water, sewer, pressurized irrigation, waste collection, and storm drain utilities.

The government-wide financial statements can be found on pages 14-15 of this report.

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, like other state and local governments, 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***. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike 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. Such information may be useful in assessing a government's near-term financing requirements.

  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 *governmental 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 governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

  The City maintains five individual governmental funds. Information is presented separately in the *governmental fund balance sheet* and in the *governmental fund statement of revenues, expenditures, and changes in fund balances* for the general fund, the city projects (capital project) fund, community network (capital project) fund, the roads (special revenue) fund, and the debt service fund, all of which are considered to be major funds. The City does not have any nonmajor governmental funds reported in these financial statements.

  The City adopts an annual appropriated budget for its general and roads (special revenue) funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with this budget.

  The basic governmental fund financial statements can be found on pages 16-21 of this report.

- **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 enterprise funds to account for its various utility operations.

  Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utility funds listed above, all of which are considered to be major funds of the City. The City does not have any nonmajor proprietary funds reported in these financial statements.

  The basic proprietary fund financial statements can be found on pages 22-24 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-54 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligations to provide pension benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 55-58.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $174,184,606, at the close of the most recent fiscal year.

By far, the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, infrastructure assets, and machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

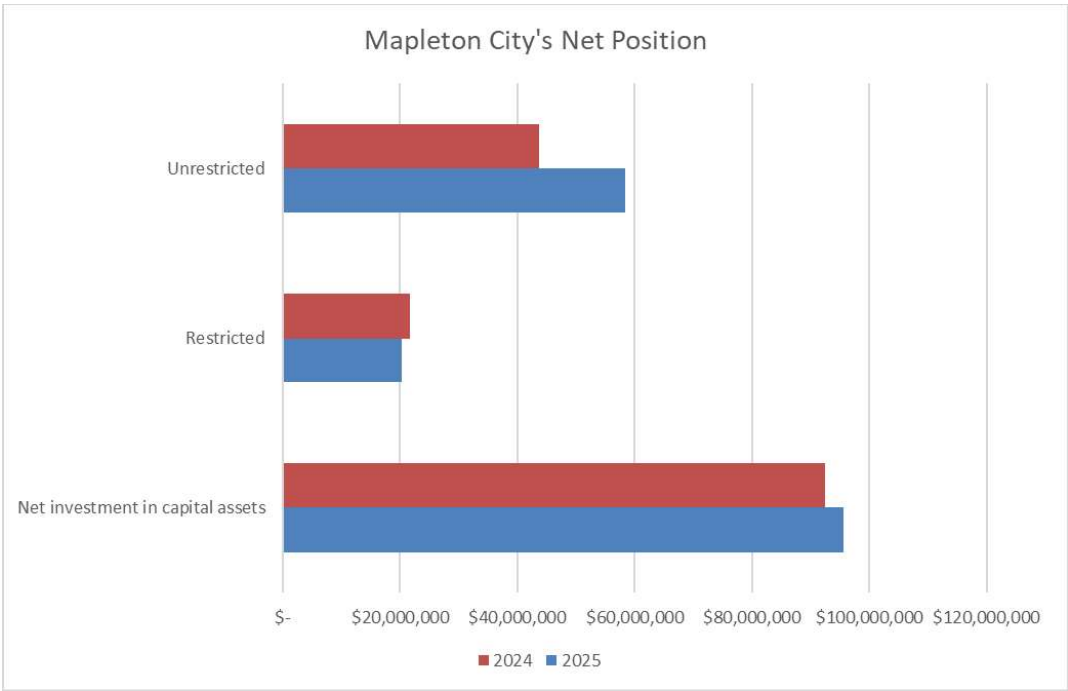
MAPLETON CITY'S STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	$ 35,204,445	$ 35,340,203	$ 49,218,600	$ 45,341,470	$ 84,423,045	$ 80,681,673
Capital assets	78,221,165	68,826,518	65,007,393	58,262,169	143,228,558	127,088,687
Total Assets	113,425,610	104,166,721	114,225,993	103,603,639	227,651,603	207,770,360
Total deferred outflows of resources	1,039,302	998,509	380,912	330,988	1,420,214	1,329,497
Liabilities						
Long-term liabilities outstanding	20,611,267	20,898,727	22,860,305	17,682,745	43,471,572	38,581,472
Net pension liability	983,635	747,371	273,922	169,116	1,257,557	916,487
Other liabilities	5,885,586	7,226,618	838,522	1,447,221	6,724,108	8,673,839
Total Liabilities	27,480,488	28,872,716	23,972,749	19,299,082	51,453,237	48,171,798
Total deferred inflows of resources	3,429,018	3,227,922	4,956	1,710	3,433,974	3,229,632
Net position						
Net investment in capital assets	50,217,679	44,234,184	45,351,063	48,159,987	95,568,742	92,394,171
Restricted	11,366,781	10,833,623	8,947,476	10,762,611	20,314,257	21,596,234
Unrestricted	21,970,946	17,996,785	36,330,661	25,711,237	58,301,607	43,708,022
Total net position	$ 83,555,406	$ 73,064,592	$ 90,629,200	$ 84,633,835	$ 174,184,606	$ 157,698,427

Current and other assets decreased in governmental activities by $135,758 from the prior year. The City continues various community development and improvement projects, which require the use of its current reserves.

Government-wide other liabilities government-wide decreased $1,949,731 from the previous year. Long-term liabilities, which consist of bonds, compensated absences and pension obligations, increased $4,890,100 from the previous year for governmental and business-type activities combined. During 2025, the City amended its interlocal agreement with Spanish Fork City, Utah, to construct a new wastewater treatment facility. As part of this agreement, the City entered into two additional promissory notes payable with Spanish Fork City for $5,145,000 and $900,000 for the final completion of the sewer treatment plant. More information on the interlocal agreement can be found in the notes to the financial statements.

A portion of the City's net position, $20,314,257, represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, the City's unrestricted net position was $58,301,607.



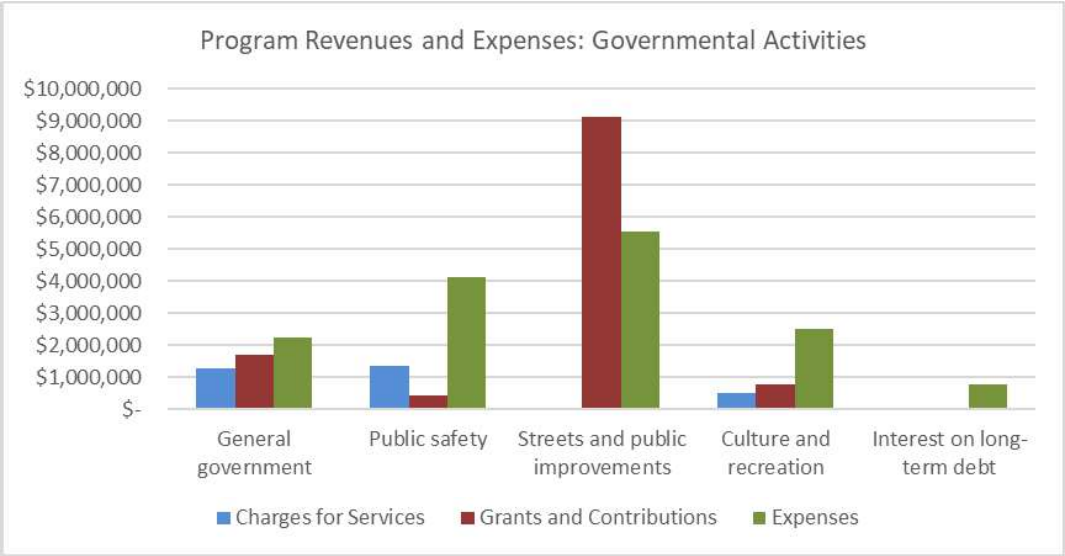
The City's overall net position increased $16,486,179 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

MAPLETON CITY'S CHANGE IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	$ 3,129,402	$ 2,170,862	$ 9,306,269	$ 7,719,551	$ 12,435,671	$ 9,890,413
Operating grants and contributions	1,977,475	510,938	636,268	1,069,868	2,613,743	1,580,806
Capital grants and contributions	10,003,081	6,339,483	4,982,449	8,300,769	14,985,530	14,640,252
General revenues:						
Property taxes	3,535,607	3,240,015	-	-	3,535,607	3,240,015
Sales taxes	2,779,234	2,639,130	-	-	2,779,234	2,639,130
Franchise taxes	939,467	1,001,708	-	-	939,467	1,001,708
Unrestricted interest earnings	1,837,294	2,420,944	734,178	694,252	2,571,472	3,115,196
Payments in lieu of taxes	190,422	169,976	-	-	190,422	169,976
Gain on sale of capital and other assets	92,278	2,550	18,333	251,100	110,611	253,650
Equity investment income	-	-	(27,153)	(111,732)	(27,153)	(111,732)
Miscellaneous	234,692	285,761	-	-	234,692	285,761
Total revenues	24,718,952	18,781,367	15,650,344	17,923,808	40,369,296	36,705,175
Expenses						
General government	2,244,386	2,258,712	-	-	2,244,386	2,258,712
Public safety	4,131,283	3,854,812	-	-	4,131,283	3,854,812
Streets and public improvements	5,541,345	4,060,292	-	-	5,541,345	4,060,292
Culture and recreation	2,497,951	2,132,918	-	-	2,497,951	2,132,918
Interest on long-term debt	764,267	833,301	-	-	764,267	833,301
Water	-	-	2,950,640	2,594,648	2,950,640	2,594,648
Sewer	-	-	2,843,533	2,236,947	2,843,533	2,236,947
Pressurized irrigation	-	-	1,735,947	1,484,953	1,735,947	1,484,953
Waste collection	-	-	947,694	770,685	947,694	770,685
Storm drain	-	-	226,071	185,251	226,071	185,251
Total expenses	15,179,232	13,140,035	8,703,885	7,272,484	23,883,117	20,412,519
Increase in net position before transfers	9,539,720	5,641,332	6,946,459	10,651,324	16,486,179	16,292,656
Transfers	951,094	897,833	(951,094)	(1,301,434)	-	(403,601)
Increase in net position	10,490,814	6,539,165	5,995,365	9,349,890	16,486,179	15,889,055
Net position - beginning	73,064,592	66,525,427	84,633,835	75,283,945	157,698,427	141,809,372
Net position - ending	$ 83,555,406	$ 73,064,592	$ 90,629,200	$ 84,633,835	$ 174,184,606	$ 157,698,427

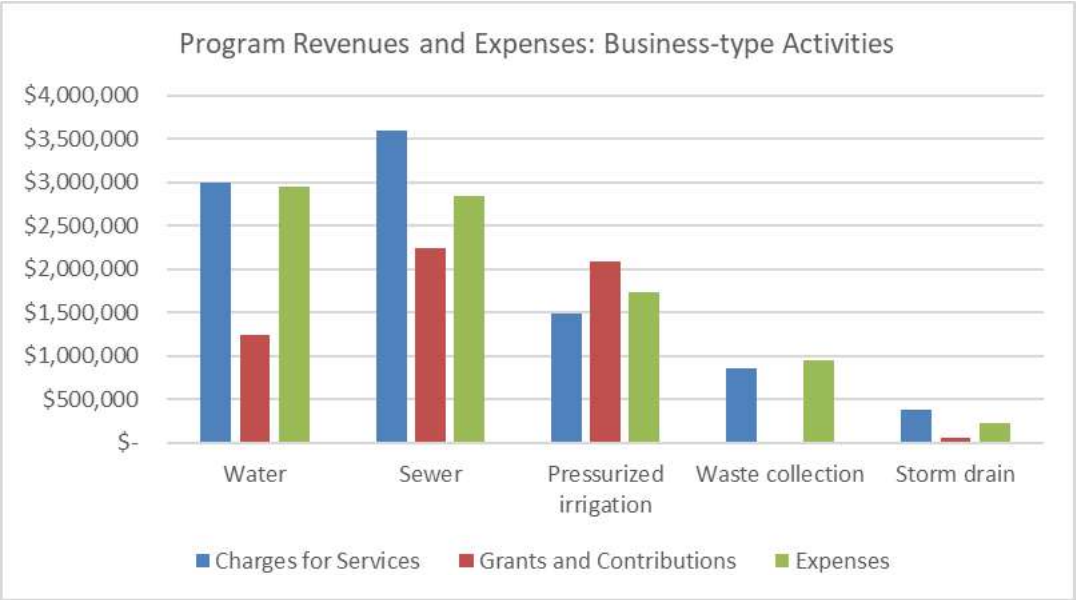
Governmental Activities. During the current fiscal year, net position for governmental activities increased $10,490,814 from the prior fiscal year for an ending balance of $83,555,406. The increase in the overall net position of governmental activities is primarily due to $10,003,081 of capital grant and contributions revenues.

As shown in the chart below, revenues generated by the City's programs are not sufficient to cover the costs, less grants and contributions of $11,980,556 for streets and public improvements. The City relies on property taxes, sales taxes, and other general revenues to cover the costs associated with the various programs.



Business-type Activities. For the City's business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of $90,629,200. The total increase in net position was $5,995,365 from the prior fiscal year. The growth, in large part, is attributable to $5,618,717 in grants and contributions revenue.

As shown in the chart below, conversely from governmental activities, revenues generated by the City's business-type programs are generally sufficient to cover the costs, even without developer contributions.



FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

As of June 30, 2025, the City's governmental funds reported combined fund equity of $25,955,215. This represents an increase of $997,017 from last year's ending balances. Of the total amount, $3,887,407, or 14.98%, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is (1) not in spendable form, $39,220; (2) restricted for particular purposes, $11,366,781; (3) committed for particular purposes (none); or (4) assigned for particular purposes, $10,661,807.

Analysis of Individual Funds

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

The City has two capital projects funds: the *city projects fund* and the *community network fund*, both major funds. The city projects fund accounts for the various and typical significant public improvements. The community network fund was established three years ago to construct an underground fiber network. At the beginning of the year ended June 30, 2026, the Fiber Network will be fully operational, at which time the Community Network Capital Projects fund will be closed and all the related assets, liabilities, and equity will be transferred to the Mapleton Community Network Enterprise fund.

The City established a *special revenue roads fund*, to account for the annual special assessment charged to all residents, including businesses. These funds are restricted for use on road projects only, to both maintain and improve the streets and roads of the City. In addition, contributions are transferred in from the general fund to assist in these projects. As of June 30, 2025, the net position changed by $333,196 to an ending balance of $2,799,207.

The *debt service fund*, the remaining major governmental fund, had an increase in fund balance during the current year of $6,700, to bring the year end fund balance to $47,043. The City uses this fund to service the Sales Tax Revenue Bonds (for the fiber network project). This fund meets the definition of a nonmajor fund, but the City has elected to present it as a major fund in the financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. During the year, there was a need for amendments to increase either the original estimated revenues or original budgeted appropriations. There was also a need to make an amendment to reallocate appropriations among departments when it became clearer which departments would actually be charged for certain expenditures. Generally, the movement of the appropriations between departments was not significant.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues were as follows:

Revenue Source	Estimated Revenues	Actual Revenues	Difference
Charges for services	$ 870,550	$ 893,154	$ 22,604
Sales taxes	2,625,000	2,779,234	154,234
Intergovernmental	1,551,237	1,721,073	169,836

By far, the largest expenditures during the fiscal year were related to street and public improvements, followed by the water, sewer, and pressurized irrigation operations and improvements. The City also made several large capital equipment purchases, which are discussed in the following section.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2025, equals $143,228,558 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, infrastructure (streets, sidewalks, curb and gutter, bridges, etc.), and machinery and equipment, including vehicles. The City's combined depreciation expense equaled $7,019,569, resulting in an increase in net capital assets of $16,139,871 (including asset deletions totaling $784,184). The increase was primarily due to developer contributions and system improvements of $12,069,554. Capital asset activity also included the sale of equipment.

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

Mapleton City's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 20,223,788	$ 15,152,959	$ 2,009,899	$ 2,009,899	$ 22,233,687	$ 17,162,858
Water shares	-	-	31,680	31,680	31,680	31,680
Construction in progress	19,326,765	16,617,332	216,448	3,724,122	19,543,213	20,341,454
Buildings and improvements	6,821,281	7,030,839	127,860	179,770	6,949,141	7,210,609
Machinery, equipment, and vehicles	4,485,850	4,395,163	890,749	922,239	5,376,599	5,317,402
Infrastructure	27,363,481	25,630,225	61,730,757	51,394,459	89,094,238	77,024,684
Total	$ 78,221,165	$ 68,826,518	$ 65,007,393	$ 58,262,169	$ 143,228,558	$ 127,088,687

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

- Developer contributions totaling $7,531,301: $4,251,570 for roads and land, $3,279,731 for utility systems infrastructure.
- Fiber network infrastructure installation (construction in progress as of the close of the fiscal year has increased $2,175,998.

Additional information on the City's capital assets can be found in Note 5 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $21,137,423, including $284,423 in unamortized premiums. The remainder of the City's long-term obligations is comprised of four notes payable entered into with Spanish Fork City, for $2,800,000 (sewer capacity in 2011), $15,955,000 (sewer system in 2020), $5,145,000 (sewer system 2024A), and $900,000 (sewer system 2024B), of which $21,865,418 remained outstanding as of June 30, 2025.

Mapleton City's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Sales tax revenue bonds	$ 19,990,000	$ 20,305,000	$ -	$ -	$ 19,990,000	$ 20,305,000
Bond issuance premium	284,423	297,995	-	-	284,423	297,995
Water revenue refunding bonds	-	-	863,000	1,140,000	863,000	1,140,000
Notes payable	-	-	21,865,418	16,432,815	21,865,418	16,432,815
Total	$ 20,274,423	$ 20,602,995	$ 22,728,418	$ 17,572,815	$ 43,002,841	$ 38,175,810

The City's total debt increased by $4,827,031 during the current fiscal year.

State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total taxable value. The current limitation for the City is $93,280,378. State statute allows for an additional 4% to be used for water or sewer projects thus resulting in a debt limit of 8% of total taxable value. Thus, the current limitation for these water and sewer projects is $186,560,757, which again significantly exceeds the outstanding business-type activity debt.

The City maintained an "A+" rating from Standard & Poor's ratings for general obligation debt.

Additional information on the City's long-term debt can be found in Note 8 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following economic factors currently affect the City and were considered in developing the 2025-2026 fiscal year budget

- While the change in the unemployment rate is unknown, it is not expected to reach the pre-recession level for several years.
- A new revenue source (RAP Tax) was enacted for the 2025-2026 budget year, which will begin to be collected at a rate of 0.1% of local sales tax.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Mapleton 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 the Finance Director, Mapleton City, 125 West 400 North, Mapleton, UT 84664.

BASIC FINANCIAL STATEMENTS

Mapleton City, Utah
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 14,808,390	$ 7,262,873	$ 22,071,263
Restricted assets - cash and cash equivalents	16,104,729	11,997,673	28,102,402
Restricted assets-cash held by others	-	3,081,040	3,081,040
Restricted assets - customer deposits	-	19,750	19,750
Receivables (net of allowance for doubtful accounts)	4,056,465	700,826	4,757,291
Intergovernmental receivable	195,641	-	195,641
Prepaids	39,220	-	39,220
Capital assets not being depreciated	39,550,553	2,258,027	41,808,580
Capital assets, net of accumulated depreciation	38,670,612	62,749,366	101,419,978
Equity investment in joint ventures	-	26,156,438	26,156,438
Total assets	113,425,610	114,225,993	227,651,603
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	1,039,302	369,469	1,408,771
Deferred loss on refunding	-	11,443	11,443
Total deferred outflows of resources	1,039,302	380,912	1,420,214
LIABILITIES			
Accounts payable	1,007,945	803,748	1,811,693
Accrued liabilities	369,967	6,072	376,039
Contracts and retainage payable	4,436,959	-	4,436,959
Accrued interest payable	31,762	8,952	40,714
Deposits payable	-	19,750	19,750
Intergovernmental payable	8,803	-	8,803
Unearned revenues	30,150	-	30,150
Noncurrent liabilities:			
Net pension liability actuarially funded	983,635	273,922	1,257,557
Due within one year:			
Bonds, bond premiums, note, compensated absences	648,401	2,184,197	2,832,598
Due in more than one year:			
Bonds, bond premium, note, compensated absences	19,962,866	20,676,108	40,638,974
Total liabilities	27,480,488	23,972,749	51,453,237
DEFERRED INFLOWS OF RESOURCES			
Pension related	33,612	4,956	38,568
Unavailable revenue - property taxes	3,395,406	-	3,395,406
Total deferred inflows of resources	3,429,018	4,956	3,433,974
NET POSITION			
Net investment in capital assets	50,217,679	45,351,063	95,568,742
Restricted for:			
Impact fee funded improvements	5,246,127	6,996,547	12,242,674
Class C Road and other improvements	6,073,611	-	6,073,611
Debt service for bonds and note payable	47,043	1,950,929	1,997,972
Unrestricted	21,970,946	36,330,661	58,301,607
Total net position	$ 83,555,406	$ 90,629,200	$ 174,184,606

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

Mapleton City, Utah
Statement of Activities
For the Year Ended June 30, 2025

		Program Revenues			Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Governmental activities:							
General government	$ 2,244,386	$ 1,279,276	$ 1,689,715	$ -	$ 724,605		$ 724,605
Public safety	4,131,283	1,335,938	287,760	122,004	(2,385,581)		(2,385,581)
Streets and public improvements	5,541,345	-	-	9,122,271	3,580,926		3,580,926
Culture and recreation	2,497,951	514,188	-	758,806	(1,224,957)		(1,224,957)
Interest	764,267	-	-	-	(764,267)		(764,267)
Total governmental activities	15,179,232	3,129,402	1,977,475	10,003,081	(69,274)		(69,274)
Business-type activities:							
Water	2,950,640	2,991,715	29,757	1,207,130		1,277,962	1,277,962
Sewer	2,843,533	3,598,707	66,295	2,174,058		2,995,527	2,995,527
Pressurized irrigation	1,735,947	1,484,720	540,216	1,548,871		1,837,860	1,837,860
Waste collection	947,694	852,452	-	-		(95,242)	(95,242)
Storm drain	226,071	378,675	-	52,390		204,994	204,994
Total business-type activities	8,703,885	9,306,269	636,268	4,982,449		6,221,101	6,221,101
Total government-wide	$ 23,883,117	$ 12,435,671	$ 2,613,743	$ 14,985,530		6,221,101	6,151,827
		General Revenues and transfers					
		General Revenues:					
		Property taxes			3,535,607	-	3,535,607
		Sales taxes			2,779,234	-	2,779,234
		Franchise taxes			939,467	-	939,467
		Unrestricted interest earnings			1,837,294	734,178	2,571,472
		Payments in lieu of taxes			190,422	-	190,422
		Gain on sale of capital assets			92,278	18,333	110,611
		Equity investment income (loss)			-	(27,153)	(27,153)
		Miscellaneous			234,692	-	234,692
		Transfers			951,094	(951,094)	-
		Total general revenues and transfers			10,560,088	(225,736)	10,334,352
		Change in net position			10,490,814	5,995,365	16,486,179
		Net position - beginning			73,064,592	84,633,835	157,698,427
		Net position - ending			$ 83,555,406	$ 90,629,200	$ 174,184,606

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

Mapleton City, Utah
Balance Sheet – Governmental Funds
June 30, 2025

	General Fund	Capital Projects: City Projects	Capital Projects: Community Network	Special Revenue: Roads	Debt Service	Total
ASSETS						
Cash and cash equivalents	$ 11,663,072	$ 3,145,318	$ -	$ -	$ -	$ 14,808,390
Restricted cash and cash equivalents	-	6,315,989	6,941,356	2,800,341	47,043	16,104,729
Receivables, net of allowance for uncollectibles:						
Accounts	100,639	-	147,499	34,635	-	282,773
Taxes and franchise fees	3,773,692	-	-	-	-	3,773,692
Intergovernmental receivable	195,641	-	-	-	-	195,641
Prepaid items	39,220	-	-	-	-	39,220
Interfund note receivable	-	6,000,000	-	-	-	6,000,000
Total assets	$ 15,772,264	$ 15,461,307	$ 7,088,855	$ 2,834,976	$ 47,043	$ 41,204,445
LIABILITIES						
Accounts payable	$ 331,729	$ 610,458	$ 29,989	$ 35,769	$ -	$ 1,007,945
Accrued liabilities	368,186	-	1,781	-	-	369,967
Developer retainage bonds	4,436,959	-	-	-	-	4,436,959
Due to other government	8,803	-	-	-	-	8,803
Unearned revenue	30,150	-	-	-	-	30,150
Interfund note payable	-	-	6,000,000	-	-	6,000,000
Total liabilities	5,175,827	610,458	6,031,770	35,769	-	11,853,824
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	3,395,406	-	-	-	-	3,395,406
FUND BALANCES						
Nonspendable:						
Prepaids items	39,220	-	-	-	-	39,220
Restricted:						
Capital construction projects	172,513	-	-	-	-	172,513
Impact fee projects	-	4,270,831	-	-	-	4,270,831
Annexation fee project	-	975,296	-	-	-	975,296
Class C and other road projects	3,101,891	-	-	2,799,207	-	5,901,098
Bonds payable	-	-	-	-	47,043	47,043
Assigned:						
Future capital projects	-	7,299,940	1,057,085	-	-	8,357,025
Vehicle replacements	-	2,304,782	-	-	-	2,304,782
Unassigned	3,887,407	-	-	-	-	3,887,407
Total fund balances	7,201,031	14,850,849	1,057,085	2,799,207	47,043	25,955,215
Total liabilities, deferred inflows of resources and fund balances	$ 15,772,264	$ 15,461,307	$ 7,088,855	$ 2,834,976	$ 47,043	$ 41,204,445

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

Mapleton City, Utah
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Position
June 30, 2025

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

Total fund balances for governmental funds		$ 25,955,215
Capital assets of $116,001,250, net of accumulated depreciation of $37,780,085, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		78,221,165
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (URS pension) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows pension related	$ 1,039,302	
Deferred inflows pension related	(33,612)	
Total deferred outflows and inflows		1,005,690
Other long term assets and liabilities that are not available to pay for current period expenditures or that are not due and payable in the curent period and, therefore, are either deferred or not reported in the funds.		
Net pension liability		(983,635)
Long term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Sales tax revenue bonds payable, series 2021	(9,045,000)	
Sales tax revenue bonds payable, series 2023	(10,945,000)	
Bond premium	(284,423)	
Compensated absences	(336,844)	
Accrued interest payable on long term debt	(31,762)	
Total long term liabilities		(20,643,029)
Net position of governmental activities		$ 83,555,406

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

Mapleton City, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Capital Projects: City Projects	Capital Projects: Community Network	Special Revenue: Roads	Debt Service	Total
REVENUES						
Property taxes	$ 3,535,607	$ -	$ -	$ -	$ -	$ 3,535,607
Sales taxes	2,779,234	-	-	-	-	2,779,234
Franchise taxes	939,467	-	-	-	-	939,467
Licenses and permits	903,746	-	-	-	-	903,746
Intergovernmental	1,721,073	-	-	-	-	1,721,073
Charges for services	893,154	-	1,222,238	-	-	2,115,392
Investment earnings	1,455,576	296,576	85,142	-	-	1,837,294
Special assessment	-	-	-	419,271	-	419,271
Payments in lieu of taxes	190,422	-	-	-	-	190,422
Developer assessed impact fees	-	2,195,575	-	-	-	2,195,575
Annexation fees	-	353,332	-	-	-	353,332
Miscellaneous	219,807	-	-	-	-	219,807
Total revenues	12,638,086	2,845,483	1,307,380	419,271	-	17,210,220
EXPENDITURES						
Current:						
General government	2,132,455	-	-	-	-	2,132,455
Public safety	3,709,627	-	-	-	-	3,709,627
Streets and public improvements	601,906	57,590	1,185,843	486,075	-	2,331,414
Culture and recreation	2,099,287	-	-	-	-	2,099,287
Debt service:						
Principal	-	-	-	-	315,000	315,000
Interest	-	-	-	-	778,233	778,233
Capital outlay:						
Public safety	-	158,971	-	-	-	158,971
Streets and public improvements	226,183	201,045	2,190,622	-	-	2,617,850
Culture and recreation	31,986	3,170,351	-	-	-	3,202,337
Total expenditures	8,801,444	3,587,957	3,376,465	486,075	1,093,233	17,345,174
Excess (deficiency) of revenues over expenditures	3,836,642	(742,474)	(2,069,085)	(66,804)	(1,093,233)	(134,954)
OTHER FINANCING SOURCES (USES)						
Transfers in	109,434	3,394,556	6,000,000	400,000	1,099,933	11,003,923
Transfers out	(2,952,896)	(6,000,000)	(1,099,933)	-	-	(10,052,829)
Sale of general capital assets	165,992	-	-	-	-	165,992
Insurance recoveries	14,885	-	-	-	-	14,885
Total other financing sources (uses)	(2,662,585)	(2,605,444)	4,900,067	400,000	1,099,933	1,131,971
Net change in fund balances	1,174,057	(3,347,918)	2,830,982	333,196	6,700	997,017
Fund balances, beginning of year	6,026,974	18,198,767	(1,773,897)	2,466,011	40,343	24,958,198
Fund balances, end of year	$ 7,201,031	$ 14,850,849	$ 1,057,085	$ 2,799,207	$ 47,043	$ 25,955,215

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

Mapleton City, Utah
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

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

Net change in fund balances - total governmental funds		$ 997,017
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital outlay	$ 5,979,158	
Depreciation expense	(3,912,366)	
		2,066,792
The effect of transactions involving capital assets to increase net position.		
Capital contributions by developers	7,401,569	
Gain on sale of assets	(73,714)	
		7,327,855
Repayment of bond principal is an expenditure in the governmental funds, but repayment reduces long term liabilities in the Statement of Net Position.		
Principal paid on bonds		315,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Accrued interest on long term debt	394	
Amortization of bond premiums	13,572	
Compensated absences	(41,112)	
Changes in pension liabilities and related deferred outflows and inflows of resources	(188,704)	
		(215,850)
Change in net position of governmental activities		$ 10,490,814

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

Mapleton City, Utah
Statement of Revenues Expenditures and Changes in Fund Balance
Budget and Actual – General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes:				
Property	$ 3,337,543	$ 3,438,623	$ 3,535,607	$ 96,984
Sales	2,500,000	2,625,000	2,779,234	154,234
Franchise	897,500	897,500	939,467	41,967
Licenses and permits	678,200	828,200	903,746	75,546
Intergovernmental	951,237	1,551,237	1,721,073	169,836
Charges for services	720,550	870,550	893,154	22,604
Fines and forfeitures	1,000	1,000	-	(1,000)
Investment earnings	900,000	1,100,000	1,455,576	355,576
Payments in lieu of taxes	160,000	160,000	190,422	30,422
Miscellaneous	238,100	238,100	219,807	(18,293)
Total revenues	10,384,130	11,710,210	12,638,086	927,876
EXPENDITURES				
Current:				
General government:				
Council	71,754	80,754	62,808	17,946
Courts	61,000	61,000	60,775	225
Finance and treasury	590,573	645,573	350,606	294,967
Community development	810,824	900,824	715,483	185,341
Administration	1,076,574	1,191,574	942,783	248,791
Total general government	2,610,725	2,879,725	2,132,455	747,270
Public safety:				
Police	2,199,768	2,313,768	2,228,683	85,085
Fire and emergency response	1,563,141	1,606,141	1,480,944	125,197
Total public safety	3,762,909	3,919,909	3,709,627	210,282
Streets and public improvements:				
Administration	310,537	310,537	217,953	92,584
Equipment, materials, and supplies	46,010	340,010	383,953	(43,943)
Total streets and public improvements	356,547	650,547	601,906	48,641
Culture and recreation:				
Parks and recreation	1,921,235	2,148,024	1,991,889	156,135
Library and museum	122,591	125,843	81,205	44,638
Community services	23,200	28,200	26,193	2,007
Total culture and recreation	2,067,026	2,302,067	2,099,287	202,780
Capital outlay:				
Culture and recreation	5,000	5,000	31,986	(26,986)
Total expenditures	9,002,207	9,957,248	8,801,444	1,208,170
Excess of revenues over expenditures	1,381,923	1,752,962	3,836,642	2,083,680
OTHER FINANCING SOURCES (USES)				
Transfers in	109,434	109,434	109,434	-
Transfers out	(1,351,857)	(1,202,896)	(2,952,896)	(1,750,000)
Sale of general capital assets	50,000	50,000	165,992	115,992
Insurance recoveries	15,500	15,500	14,885	(615)
Total other financing sources (uses)	(1,176,923)	(1,027,962)	(2,662,585)	(1,634,623)
Net change in fund balance	205,000	725,000	1,174,057	449,057
Fund balance, beginning of year	-	-	6,026,974	6,026,974
Fund balance, end of year	$ 205,000	$ 725,000	$ 7,201,031	$ 6,476,031

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

Mapleton City, Utah
Statement of Revenues Expenditures and Changes in Fund Balance
Budget and Actual – Special Revenue Road Fund
For the Year Ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Special assessment	$ 393,600	$ 393,600	$ 419,271	$ 25,671
Total revenues	393,600	393,600	419,271	25,671
EXPENDITURES				
Current:				
Streets and public improvements:				
Equipment, materials, and supplies	800,000	1,500,000	486,075	1,013,925
Excess (deficiency) of revenues over expenditures	(406,400)	(1,106,400)	(66,804)	1,039,596
OTHER FINANCING SOURCES (USES)				
Transfers in	400,000	400,000	400,000	-
Net change in fund balance	(6,400)	(706,400)	333,196	1,039,596
Fund balance, beginning of year	-	-	2,466,011	2,466,011
Fund balance, end of year	$ (6,400)	$ (706,400)	$ 2,799,207	$ 3,505,607

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

Mapleton City, Utah
Statement of Net Position – Proprietary Funds
June 30, 2025

	Business-type Activities					
	Water	Sewer	Pressurized Irrigation	Waste Collection	Storm Drain	Total
ASSETS						
Current assets:						
Cash and cash equivalents	$ 165,922	$ 3,275,523	$ 2,983,185	$ 263,180	$ 575,063	$ 7,262,873
Restricted assets-cash and cash equivalents	4,256,707	4,055,507	3,685,459	-	-	11,997,673
Restricted assets-cash held by others	-	3,081,040	-	-	-	3,081,040
Restricted assets - customer deposits	19,750	-	-	-	-	19,750
Accounts receivable, net	195,942	296,856	116,330	69,723	21,975	700,826
Total current assets	4,638,321	10,708,926	6,784,974	332,903	597,038	23,062,162
Noncurrent assets:						
Capital assets:						
Land	149,899	-	1,860,000	-	-	2,009,899
Water shares	31,680	-	-	-	-	31,680
Construction in progress	96,840	-	-	-	119,608	216,448
Buildings and improvements	478,589	487,105	-	-	77,055	1,042,749
Machinery, equipment, and vehicles	896,986	740,363	48,007	-	100,397	1,785,753
Infrastructure	38,893,741	31,425,840	24,989,750	-	555,372	95,864,703
Less: accumulated depreciation	(14,408,124)	(14,811,878)	(6,497,588)	-	(226,249)	(35,943,839)
Equity investment in joint venture:						
Sewer Construction with Spanish Fork	-	25,836,756	-	-	-	25,836,756
South Utah Valley Solid Waste District	-	-	-	319,682	-	319,682
Total noncurrent assets	26,139,611	43,678,186	20,400,169	319,682	626,183	91,163,831
Total assets	30,777,932	54,387,112	27,185,143	652,585	1,223,221	114,225,993
DEFERRED OUTFLOWS OF RESOURCES						
Pension related	177,926	86,043	73,489	7,831	24,180	369,469
Deferred loss on refunding	11,443	-	-	-	-	11,443
Total deferred outflows of resources	189,369	86,043	73,489	7,831	24,180	380,912
LIABILITIES						
Current liabilities:						
Accounts payable	98,993	519,960	7,085	153,312	24,398	803,748
Accrued liabilities	2,891	1,398	1,217	149	417	6,072
Compensated absences	59,263	28,054	24,592	2,629	8,410	122,948
Customer deposits payable restricted assets	19,750	-	-	-	-	19,750
Accrued interest payable	8,952	-	-	-	-	8,952
Bonds payable - current	285,000	-	-	-	-	285,000
Notes payable - current	-	1,776,249	-	-	-	1,776,249
Total current liabilities	474,849	2,325,661	32,894	156,090	33,225	3,022,719
Noncurrent liabilities:						
Compensated absences	4,291	2,031	1,794	200	623	8,939
Bonds payable	578,000	-	-	-	-	578,000
Notes payable	-	20,089,169	-	-	-	20,089,169
Net pension liability	131,918	63,793	54,478	5,806	17,927	273,922
Total noncurrent liabilities	714,209	20,154,993	56,272	6,006	18,550	20,950,030
Total liabilities	1,189,058	22,480,654	89,166	162,096	51,775	23,972,749
DEFERRED INFLOWS OF RESOURCES						
Pension related	2,387	1,154	986	105	324	4,956
NET POSITION						
Net investment in capital assets	25,267,659	(942,948)	20,400,169	-	626,183	45,351,063
Restricted:						
Debt service for bonds	-	1,950,929	-	-	-	1,950,929
Impact fee projects	-	2,124,469	2,899,530	-	-	5,023,999
Annexation fee project	284,313	371,271	1,316,964	-	-	1,972,548
Designated:						
Water share purchases	79,475	-	-	-	-	79,475
Unrestricted	4,144,409	28,487,626	2,551,817	498,215	569,119	36,251,186
Total net position	$ 29,775,856	$ 31,991,347	$ 27,168,480	$ 498,215	$ 1,195,302	$ 90,629,200

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

Mapleton City, Utah
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
For the Year ended June 30, 2025

	Business-type Activities					
	Water	Sewer	Pressurized Irrigation	Waste Collection	Storm Drain	Total
Operating revenues:						
Charges for services:						
Customer utility sales	$ 2,700,597	$ 3,503,707	$ 1,395,620	$ 852,452	$ 260,175	$ 8,712,551
Customer connection fees	291,118	95,000	89,100	-	-	475,218
Building permit fees (SWIPP)	-	-	-	-	118,500	118,500
Total operating revenues	2,991,715	3,598,707	1,484,720	852,452	378,675	9,306,269
Operating expenses:						
Personnel services	996,625	487,618	412,154	44,025	136,197	2,076,619
Operation and maintenance	780,851	605,711	427,457	903,669	47,589	2,765,277
Depreciation	1,150,553	1,021,988	885,430	-	42,285	3,100,256
Total operating expenses	2,928,029	2,115,317	1,725,041	947,694	226,071	7,942,152
Operating income (loss)	63,686	1,483,390	(240,321)	(95,242)	152,604	1,364,117
Nonoperating revenues (expenses):						
Investment earnings	221,966	339,157	173,055	-	-	734,178
Equity investment in joint ventures	-	-	-	(27,153)	-	(27,153)
Developer assessed impact fees	59,981	834,655	755,692	-	-	1,650,328
Annexation fees	29,757	66,295	540,216	-	-	636,268
Gain on sale of noncapital asset	18,333	-	-	-	-	18,333
Interest and other financial expense	(22,611)	(728,216)	(10,906)	-	-	(761,733)
Total nonoperating revenues (expenses)	307,426	511,891	1,458,057	(27,153)	-	2,250,221
Income before capital contributions and transfers	371,112	1,995,281	1,217,736	(122,395)	152,604	3,614,338
Capital contributions	1,147,149	1,339,403	793,179	-	52,390	3,332,121
Transfers in	-	-	150,000	-	-	150,000
Transfers out	(354,301)	(450,935)	(226,527)	-	(69,331)	(1,101,094)
Change in net position	1,163,960	2,883,749	1,934,388	(122,395)	135,663	5,995,365
Total net position, beginning	28,611,896	29,107,598	25,234,092	620,610	1,059,639	84,633,835
Total net position, ending	$ 29,775,856	$ 31,991,347	$ 27,168,480	$ 498,215	$ 1,195,302	$ 90,629,200

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

Mapleton City, Utah
Statements of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities					
	Water	Sewer	Pressurized Irrigation	Waste Collection	Storm Drain	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	$ 2,994,287	$ 3,533,087	$ 1,481,815	$ 847,206	$ 258,639	$ 9,115,034
Other receipts	2,000,000	-	-	-	118,500	2,118,500
Payments to suppliers and service providers	(1,861,709)	(89,067)	(486,077)	(879,982)	(61,736)	(3,378,571)
Payments to employees	(959,603)	(469,808)	(396,251)	(41,997)	(130,545)	(1,998,204)
Net cash from operating activities	2,172,975	2,974,212	599,487	(74,773)	184,858	5,856,759
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	-	-	150,000	-	-	150,000
Transfers to other funds	(354,301)	(450,935)	(226,527)	-	(69,331)	(1,101,094)
Net cash from noncapital financing activities	(354,301)	(450,935)	(76,527)	-	(69,331)	(951,094)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase and construction of capital assets	(4,242,411)	(440,728)	(1,740,911)	-	(89,309)	(6,513,359)
Developer assessed impact fees received	59,981	834,655	755,692	-	-	1,650,328
Annexation fees received	29,757	66,295	540,216	-	-	636,268
Equity investment in joint venture (sewer system)	-	(11,705,221)	-	-	-	(11,705,221)
Proceeds from notes payable (Spanish Fork City)	-	7,175,102	-	-	-	7,175,102
Principal paid on capital debt	(277,000)	(1,742,499)	-	-	-	(2,019,499)
Interest paid on capital debt and other financial expense	(17,727)	(728,216)	(10,906)	-	-	(756,849)
Proceeds from sale of assets	18,333	-	-	-	-	18,333
Net cash from capital and related financing activities	(4,429,067)	(6,540,612)	(455,909)	-	(89,309)	(11,514,897)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on cash and investments	221,966	339,157	173,055	-	-	734,178
Net cash from investing activities	221,966	339,157	173,055	-	-	734,178
Net change in cash and cash equivalents	(2,388,427)	(3,678,178)	240,106	(74,773)	26,218	(5,875,054)
Cash and cash equivalents, beginning of year	6,830,806	14,090,248	6,428,538	337,953	548,845	28,236,390
Cash and cash equivalents, end of year	$ 4,442,379	$ 10,412,070	$ 6,668,644	$ 263,180	$ 575,063	$ 22,361,336
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	$ 63,686	$ 1,483,390	$ (240,321)	$ (95,242)	$ 152,604	$ 1,364,117
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	1,150,553	1,021,988	885,430	-	42,285	3,100,256
Changes in assets and liabilities:						
Decrease in pension related deferred outflows of resources	(27,659)	(13,222)	(10,511)	(532)	(2,884)	(54,808)
(Increase) decrease in accounts receivable	1,191	(65,620)	(2,905)	(5,246)	(1,536)	(74,116)
(Increase) in intergovernmental receivable	2,000,000	-	-	-	-	2,000,000
(Decrease) in deposits payable	1,381	-	-	-	-	1,381
(Decrease) increase in accounts payable and accrued liabilities	(1,079,328)	517,384	(57,976)	23,766	(13,926)	(610,080)
(Decrease) increase in compensated absences	10,423	4,879	4,496	533	1,626	21,957
(Decrease) in net pension liability	51,157	24,655	20,630	1,883	6,481	104,806
(Decrease) in pension related deferred inflows of resources	1,571	758	644	65	208	3,246
Total adjustments	2,109,289	1,490,822	839,808	20,469	32,254	4,492,642
Net cash provided (used) by operating activities	$ 2,172,975	$ 2,974,212	$ 599,487	$ (74,773)	$ 184,858	$ 5,856,759
Schedule of non cash capital and related financing activities						
Capital contributions - developers	$ 1,147,149	$ 1,339,403	$ 793,179	$ -	$ -	$ 3,279,731

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Mapleton City, Utah (City) have been prepared in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP) as applied to governments units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the City's significant accounting policies.

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of the government. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

Reporting Entity

The City (government) is a municipal corporation governed by an elected mayor and five-member Governing Council (Council). The accompanying financial statements present the government only. The City does not report any component units or entities for which the government is considered to be financially accountable. Mapleton City was incorporated in 1855, under the laws of the State of Utah. The City provides municipal services under the following organizational structure:

- Mayor, City Council and City Administrator, and Recorder
- Financial Services: Finance Director, Treasurer, and Clerks
- Development Services: Planning and Zoning, and Code Enforcement
- Public Safety: Police, Fire, Ambulance, EMS, and Animal Control
- Public Works: Streets, Water, Sewer, Pressurized Irrigation, Storm Drain, Buildings and Grounds, Community Internet
- Culture and Recreation: Parks, Literacy Center

The accompanying financial statements present the government and entities for which the government is considered to be financially accountable.

The joint venture with South Utah Valley Solid Waste District is included in the City's reporting entity because of the significance of their operational and financial relationship with the City. The joint venture with South Utah Valley Water Municipal Association is included in the City's reporting entity because of the significance of their operational and financial relationship with the City. Complete financial statements of the joint ventures, which issued separate financial statements, can be obtained from their administrative offices.

Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide financial statements include the statement of net position and statement of activities. These statements report financial information for the City as a whole. For the most part, the effect of interfund activity has been removed from these statements. Individual funds are not displayed but the statements distinguish governmental activities, which normally are supported by taxes and general revenues, from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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 for those required to be accounted for in another fund.
- The City has two separate *Capital Projects* funds: City Projects and Community Network. They are used to account for the acquisition or construction of major capital facilities of the City (other than those financed by proprietary funds) and to construct a fiber network, respectively.
- The *Streets/Roads Fund* is a special revenue fund used to account for fees charged to citizens to facilitate road construction, maintenance, and repairs.
- The *Debt Service Fund* is used to account for the principal and interest payments of the City's long-term bonds and notes. This fund meets the definition of a nonmajor governmental fund; however, the City has elected to present it as a major fund.

The City reports the following major enterprise funds:

- The *Water Fund* accounts for the activities of the City's water production, treatment and distribution operations.
- The *Sewer Fund* accounts for the activities of the City's sewer treatment operations.
- The *Pressurized Irrigation Fund* accounts for the activities of the City's pressurized irrigation distribution operations.
- The *Waste Collection Fund* accounts for the activities of the City's garbage collection services.
- The *Storm Drain Fund* accounts for the City's storm drain activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

During the course of operations, the City has activity among funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated, so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated, so that only the net amount is included as internal balances in the business-type activities column.

Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the City are included in the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of the fiscal year-end.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues – Non-exchange Transactions – Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales tax, property tax, grants, and donations. On an accrual basis, revenue from sales tax is recognized in the period in which the taxable sales tax is placed. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected by June 30, 2025 for property taxes and within 60 days for other non-exchange transactions) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: sales taxes, property taxes, special assessments, and federal and state grants.

Unearned Revenue – Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On both the fund financial statements and the government-wide financial statements amounts collected for a marathon which takes place in the next fiscal year and water impact fees prepaid prior to development by the contractors are recorded as unearned revenues.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred, if measurable. On a modified accrual basis, expenditures are generally recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

Budgetary Information

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with U.S. GAAP for the general fund, roads fund, and debt service fund. Each of the capital projects funds are appropriated on a project-length basis.

The appropriated budget is prepared by fund, function, and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Prior to the first regularly scheduled meeting of the City Council in May, the Mayor the City Administrator, and the Finance Director submit to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and proposed sources of revenues.

Between May 1 and June 22, the City Council reviews and adjusts the proposed budget. On or before June 22, a public hearing is held and the budget is legally adopted through passage of a resolution, unless a property tax increase is proposed. If a property tax increase is proposed, a hearing must be held on or before August 17, which does not conflict with other taxing entities that have proposed a property tax increase. Currently, the final balanced budget is adopted. Under Utah State law, the City's budget establishes maximum legal authorization for expenditures during the fiscal year. Expenditures are not to exceed the budgeted amounts, including revisions, except as allowed by the code for certain events.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Mayor, in conjunction with the appropriate department head, has the authority to transfer budget appropriations within and between any divisions of any budgetary fund. The City Council has the authority to transfer budget appropriations between individual budgetary funds by resolution. A public hearing must be held to increase the total appropriations of any one governmental fund type; however, after the original public hearing, operating and capital budgets of proprietary fund types may be increased by resolution without an additional hearing.

Annual budgets for the general fund, all debt service funds, and capital projects funds were legally adopted by the City and are prepared on the modified-accrual method of accounting. Annual budgets for the proprietary funds were legally adopted by the City and prepared on the accrual method of accounting.

Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of comparisons of actual results to budgets for the general fund and any major special revenue funds.

Excess of expenditures over appropriations

For the year ended June 30, 2025, expenditures did not exceed appropriations for any fund or department of the City.

Tax Revenues

Property taxes are collected by the County Treasurer and remitted to the City in two to three installments in November, December, and a final settlement in the first quarter of the calendar year. Taxes are levied and are due and payable on November 1st and are delinquent after November 30th of each year, at which time they become liens if not paid. An accrual of uncollected current and prior year's property taxes beyond that which was received within 60 days after the fiscal year end has not been made, as the amounts are not deemed to be material.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual has been made for all taxes received by the State for the period ended June 30th and thus due and payable to the City.

Franchise taxes are charged to various utility companies doing business with the City. The fees are remitted on a monthly, quarterly, or annual basis. An accrual has been made for all fees due and payable to the City on June 30th.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity

Cash, cash equivalents, and investments

Cash and cash equivalents include cash on hand, demand deposits with banks and other financial institutions, and deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts. The City's investment policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the Utah Public Treasurer's Investment Fund (Fund) and other investments allowed by the State of Utah's Money Management Act. Investments are reported at fair value. The Fund operates in accordance with state laws and regulations. The reported value of the City's cash in the Fund is the same as the fair value of the Fund shares.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash equivalents are generally considered short-term highly liquid investments with maturities of three months or less from the purchase date. Investments are recorded at fair value in accordance with GASB Statement No. 72 Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Restricted assets

Cash which is restricted to a particular use due to statutory, budgetary or bonding requirements is classified as “restricted cash” on the statement of net position and on the balance sheets. Restricted cash would be spent first, and then unrestricted resources would be used when the restricted funds are depleted.

Receivables

All trade and property tax receivables are reported net of an allowance for uncollectible amounts, where applicable.

Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

Inventories and prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. These costs are recorded as an expenditure when used. Inventories are recorded at the lower cost or market on a weighted average basis, which approximates the first-in, first out method. During the year ended June 30, 2025, no inventories were recorded.

Capital assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds or contributions. The City reports these assets in the governmental activities’ column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements. Capital assets utilized by proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the proprietary fund’s statement of net position.

Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are capitalized at historical cost if purchased, and at fair market value at the date of the gift, if donated. Improvements to capital assets are capitalized. Major additions are capitalized, while maintenance and repairs which do not improve or extend the life of the respective assets are charged to expense.

All reported capital assets are depreciated except for land, rights of ways, water rights, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City’s historical records of improvements and replacements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital asset depreciation is recognized using the straight-line method over the estimated useful lives as follows:

Capital Asset Classes	Lives (Years)
Buildings	15 - 40 years
Improvements	7 - 20 years
Machinery, equipment, and vehicles	4 - 20 years
Infrastructure	20 - 40 years

Compensated absences

Employees may carry over no more vacation time than they can accumulate in an 18-month period. Accumulated unpaid vacation is accrued as incurred based on the years of service for each employee. Vacation is accumulated on a monthly basis and is fully vested when earned. At retirement, death, or termination, all unpaid accrued vacation is paid to the beneficiary. Proprietary funds expense all accrued vacation amounts when incurred. Governmental funds report an expenditure as the vacation is paid or at termination. Accumulated sick leave is earned monthly. Sick pay amounts are charged to expenditures when incurred. No sick leave is paid at retirement or termination.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated absences liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only when it is due for payment in the current fiscal year.

Long-term liabilities

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, capital leases payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

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 and so will not be recognized as an outflow of resources (expenditure) until then. The City currently has deferred outflows of resources related to debt refunding and pensions.

In addition to liabilities, the statement of net position will sometimes include a separate section deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The governmental funds report deferred inflows of resources related to property taxes and pensions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Plans (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.

Fund equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are divided into five categories as follows:

- **Non-spendable** – 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. Fund balance amounts related to inventory, prepaid expenses and permanent endowments (such as cemetery perpetual care) are classified as non-spendable.

- **Restricted** – 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 other governments or b) imposed by law through constitutional provisions or enabling legislation. The City's remaining balances of Class C roads, impact fees, and street lighting revenues are restricted.

- **Committed** – This classification includes amounts that can only be used for specific purposes established by formal action of the City Council, which 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** – 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 classification includes the remaining positive fund balances for governmental funds other than the general fund.

- **Unassigned** – This classification holds the remainder of the fund equity and is the amount available for the City to spend.

Net Position Flow Assumptions – The City has established a flow assumption policy to use restricted net position first before using unrestricted net position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Flow Assumptions – The City has established a flow assumption policy to use restricted fund balance before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, it is the City's policy to use the fund balance in the following order: 1) Committed, 2) Assigned, and 3) Unassigned.

Net Position – The net position represents the difference between assets and liabilities. The net position component, net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. The net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The balance of the net position is reported as unrestricted.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund. All other revenues and expenses are classified as non-operating including investment earnings, interest expense, and the gain or loss on the disposition of capital assets**.**

Contributions of Capital

Contributions of capital reported in proprietary fund financial statements and the government-wide financial statements arise from (1) outside contributions of capital assets (e.g. developers), (2) nonreciprocal interfund transfers of vehicles purchased by the capital projects fund and transferred to various utility funds, and (3) grants or outside contributions of resources restricted to capital acquisition and construction.

Inter-Fund Transactions

During normal operations, the City has transactions between funds to subsidize operations in certain funds, to allocate administrative costs, to construct assets, to distribute grant proceeds, etc. These transactions are generally reflected as operating transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds.

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities' column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

Unearned Revenue

Amounts collected for a marathon which takes place in the next fiscal year and water impact fees prepaid prior to development by the contractors are recorded as unearned revenues.

Estimates and Assumptions

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

Effective for the fiscal year ended June 30, 2025, the City implemented GASB Statement No. 101, *Compensated Absences*. This standard requires recognition of a liability for compensated absences attributable to services already rendered, that accumulate and are more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

No prior period adjustment was required as a result of implementing GASB Statement No. 101, as the City's previous accounting was substantially consistent with the new requirements. See note 8 for the changes in the compensated absences balances, as well as the ending balances.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets.

Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund financial statements include a reconciliation between changes in fund balances in the governmental funds and changes in net position in the government-wide statement of activities. This difference primarily results from the long-term economic focus of the statement of activities versus the current financial resource focus of the governmental fund financial statements.

3. DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk

Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. At times during the year, certain cash balances were in excess of insured and collateralized amounts.

Investments

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

The City follows the requirements of the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government, and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (*Utah Code*, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

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

Fair Value of Investments

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

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

As of June 30, 2025, the City had the following recurring fair value measurements:

		Fair Value Measurements Using		
	June 30, 2025	Level 1	Level 2	Level 3
Debt Securities				
Utah Public Treasurers' Investment Fund (PTIF)	$ 48,890,160	$ -	$ 48,890,160	$ -
Cash held by Spanish Fork City (PTIF)	3,081,040	-	3,081,040	-
	$ 51,971,200	$ -	$ 51,971,200	$ -

Debt and equity securities classified in Level 2 are valued using the following approach: The Utah Public Treasurers' Investment Fund uses the application of the June 30, 2025 fair value factor, as calculated by the Utah State Treasurer, to the City's average daily balance in the Fund.

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days – 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

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

		Investment Maturities (In Years)		
	Fair Value	< 1 Year	1 - 5 Years	> 5 Years
Debt Securities				
Utah Public Treasurers' Investment Fund (PTIF)	$ 48,890,160	$ 48,890,160	$ -	$ -
Cash held by Spanish Fork City (PTIF)	3,081,040	-	3,081,040	-
	$ 51,971,200	$ 48,890,160	$ 3,081,040	$ -

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act, as previously discussed.

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

		Quality Ratings		
	Fair Value	AAA	AA - A	Unrated
Debt Securities				
Utah Public Treasurers' Investment Fund (PTIF)	48,890,160	-	-	48,890,160
Cash held by Spanish Fork City (PTIF)	3,081,040	-	-	3,081,040
	$ 51,971,200	$ -	$ -	$ 51,971,200

The deposits and investments described above are included on the statement of net position as per the following reconciliation:

Deposits (cash equivalents)		$ 1,303,255
Utah Public Treasurers' Investment Fund (PTIF)		48,890,160
Cash held by Spanish Fork City (PTIF)		3,081,040
	Total	$ 53,274,455
Cash and cash equivalents		$ 22,071,263
Cash and cash equivalents, restricted		31,203,192
	Total	$ 53,274,455

4. RECEIVABLES

Accounts receivable and the associated allowances for uncollectible accounts on June 30, 2025 are presented in the schedule below.

Property taxes are levied on January 1 of 2025, are due in November of 2025, and are budgeted for the 2025 fiscal year. Even though they are not intended to fund the 2025 fiscal year, they must be recognized as an asset because the City has an enforceable claim to the revenue. The property taxes that have been remitted to the City within 60 days of the end of the current fiscal period have been recognized as revenue. The uncollected, measurable amounts have been accrued as deferred revenue.

Franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable within the current period is considered susceptible to accrual as revenue of the current period. All other items are considered to be measurable and available only when cash is received by the City.

The following is a summary of receivables as of June 30, 2025:

	General Fund	Community Network	Streets/Roads	Total
Receivables				
Accounts	$ 286,785	$ 148,693	$ 34,635	$ 470,113
Less: allowance for bad debts	(186,146)	(1,194)	-	(187,340)
Property taxes	3,455,449	-	-	3,455,449
Sales and use taxes	231,920	-	-	231,920
Franchise and other taxes	86,323	-	-	86,323
Intergovernmental	195,641	-	-	195,641
Total governmental activities	$ 4,069,972	$ 147,499	$ 34,635	$ 4,252,106

	Water	Sewer	Pressurized Irrigation	Waste Collection	Storm Drain	Total
Business-type activities						
Utility customer accounts	$ 204,960	$ 306,740	$ 120,417	$ 72,440	$ 21,975	$ 726,532
Less: allowance for bad debts	(9,018)	(9,884)	(4,087)	(2,717)	-	(25,706)
Total business-type activities	$ 195,942	$ 296,856	$ 116,330	$ 69,723	$ 21,975	$ 700,826

5. CAPITAL ASSETS

The following schedule presents the capital activity of the governmental activities for the year ended June 30, 2025:

	07/01/24	Additions	Deletions	06/30/25
Governmental activities				
Capital assets, not being depreciated				
Land	$ 15,152,959	$ 5,070,829	$ -	$ 20,223,788
Construction-in-progress	16,617,332	2,709,433	-	19,326,765
Total capital assets, not being depreciated	31,770,291	7,780,262	-	39,550,553
Capital assets, being depreciated:				
Buildings	6,306,339	-	-	6,306,339
Improvements	5,682,921	245,124	-	5,928,045
Machinery, equipment, and vehicles	8,918,887	833,977	(758,385)	8,994,479
Infrastructure	50,700,470	4,521,364	-	55,221,834
Total capital assets, being depreciated	71,608,617	5,600,465	(758,385)	76,450,697
Less accumulated depreciation for:				
Buildings	(2,960,328)	(170,635)	-	(3,130,963)
Improvements	(1,998,093)	(284,047)	-	(2,282,140)
Machinery, equipment, and vehicles	(4,523,724)	(669,576)	684,671	(4,508,629)
Infrastructure	(25,070,245)	(2,788,108)	-	(27,858,353)
Total accumulated depreciation	(34,552,390)	(3,912,366)	684,671	(37,780,085)
Total capital assets, being depreciated, net	37,056,227	1,688,099	(73,714)	38,670,612
Total governmental activities capital assets	$ 68,826,518	$ 9,468,361	$ (73,714)	$ 78,221,165

5. CAPITAL ASSETS (CONTINUED)

The following schedule presents the capital activity of the business-type activities for the year ended June 30, 2025:

	07/01/24	Increases	Decreases	06/30/25
Business-type activtities				
Capital assets, not being depreciated:				
Land	$ 2,009,899	$ -	$ -	$ 2,009,899
Water shares	31,680	-	-	31,680
Construction in progress	3,724,122	154,393	(3,662,067)	216,448
Total capital assets, not being depreciated	5,765,701	154,393	(3,662,067)	2,258,027
Capital assets, being depreciated:				
Buildings and improvements	1,042,749	-	-	1,042,749
Machinery, equipment, and vehicles	1,759,163	52,390	(25,800)	1,785,753
Infrastructure:				
Water system	30,135,204	5,292,720	3,465,817	38,893,741
Sewer system	29,645,709	1,780,131	-	31,425,840
Pressurized irrigation system	22,259,410	2,534,090	196,250	24,989,750
Storm drain system	523,616	31,756	-	555,372
Total capital assets, depreciated	85,365,851	9,691,087	3,636,267	98,693,205
Accumulated depreciation:				
Buildings and improvements	(862,979)	(51,910)	-	(914,889)
Machinery, equipment, and vehicles	(836,924)	(83,880)	25,800	(895,004)
Infrastructure:				
Water system	(12,219,560)	(1,093,735)	-	(13,313,295)
Sewer system	(13,218,138)	(965,055)	-	(14,183,193)
Pressurized irrigation system	(5,602,462)	(878,572)	-	(6,481,034)
Storm drain system	(129,320)	(27,104)	-	(156,424)
Total accumulated depreciation	(32,869,383)	(3,100,256)	25,800	(35,943,839)
Total capital assets being depreciated, net	52,496,468	6,590,831	3,662,067	62,749,366
Business-type capital assets, net	$ 58,262,169	$ 6,745,224	$ -	$ 65,007,393

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

Governmental activities:	
General government	$ 76,406
Public safety	305,034
Highways and public improvements	3,180,637
Culture and recreation	350,289
Total depreciation expense - governmental activities	$ 3,912,366
Business-type activities:	
Water system	$ 1,150,553
Sewer system	1,021,988
Pressurized irrigation system	885,430
Storm drain system	42,285
Total depreciation expense - business-type activities	$ 3,100,256

6. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The City reports a deferred loss on bond refunding of $11,443 in the Water Fund and in the government-wide statement of net position. The deferred loss resulted from the difference between the carrying value of the refunded debt and its acquisition price and is being amortized over the life of the new debt. Deferred outflows of resources related to pensions totaling $998,509 are reported in the governmental activities.

Property taxes of $3,395,406, to be collected in November, were unavailable in the current fiscal year. Accordingly, these property taxes are deferred and will be recognized as an inflow of resources in the period that the amounts become available. Also, the City reported deferred inflows of resources related to pensions of $1,710 in the business-type funds and activities as well as $40,379 in the governmental activities.

These amounts are reported in the governmental funds balance sheet and in the government-wide statement of net position.

7. DEVELOPER COMPLETION BONDS PAYABLE

The City collects deposits from those wishing to develop land for subdivisions within the City. These amounts are deposited into the City's bank account. The original deposit and any interest earned on the account are returned to the developer after the related project is completed. On June 30, 2025, Mapleton City held deposits from developers, including interest, in the following categories and amounts:

Construction commitments	$ 2,067,226
Subdivision performance bonds	1,703,533
Construction bonds	666,200
Total developer retainage bonds	$ 4,436,959

8. LONG-TERM DEBT

The following is a summary of changes in long-term debt of the City on June 30, 2025:

	07/01/24	Additions	Deletions	06/30/25	Amount Due Within One Year
Governmental activities					
Bonds payable					
Sales Tax Revenue Bonds, Series 2021	$ 9,360,000	$ -	$ (315,000)	$ 9,045,000	$ 320,000
Bond Issuance Premium	297,995	-	(13,572)	284,423	13,572
Sales Tax Revenue Bonds, Series 2023	10,945,000	-	-	10,945,000	-
Total bonds payable	20,602,995	-	(328,572)	20,274,423	333,572
Compensated absences	295,732	41,112	-	336,844	314,829
Net pension liability actuarially funded	747,371	236,264	-	983,635	-
Total governmental activities	$ 21,646,098	$ 277,376	$ (328,572)	$ 21,594,902	$ 648,401
Business-type activities					
Bonds payable:					
Water Revenue Refunding Bonds, Series 2020	$ 1,140,000	$ -	$ (277,000)	$ 863,000	$ 285,000
Notes payable:					
Spanish Fork, Sewer Construction, 2024A	-	5,145,000	(142,083)	5,002,917	159,583
Spanish Fork, Sewer Construction, 2024B	-	900,000	-	900,000	40,000
Spanish Fork, Sewer Construction, 2020	13,632,815	1,130,102	(667,083)	14,095,834	643,333
Spanish Fork, Sewer Capacity	2,800,000	-	(933,333)	1,866,667	933,333
Compensated absences	102,118	29,769	-	131,887	122,948
Net pension liability actuarially funded	169,116	104,806	-	273,922	-
Total business-type activities	$ 17,844,049	$ 7,309,677	$ (2,019,499)	$ 23,134,227	$ 2,184,197

8. LONG-TERM DEBT (CONTINUED)

Principal and interest requirements to retire the City's long-term bond obligations are as follows:

	Sales Tax Revenue Bonds, Series 2021		Sales Tax Revenue Bonds, Series 2023		Water Revenue Refunding Bonds, Series 2020		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
FY2026	$ 320,000	$ 239,738	$ -	$ 522,545	$ 285,000	$ 12,753	$ 605,000	$ 775,035
FY2027	330,000	230,138	317,000	522,545	286,000	7,700	933,000	760,382
FY2028	340,000	220,238	327,000	512,084	292,000	2,584	959,000	734,905
FY2029	350,000	210,038	338,000	500,966	-	-	688,000	711,003
FY2030	360,000	199,538	350,000	489,136	-	-	710,000	688,673
FY2031 - FY2035	1,980,000	828,188	1,958,000	2,239,352	-	-	3,938,000	3,067,539
FY2036 - FY2040	2,270,000	536,919	2,395,000	1,802,775	-	-	4,665,000	2,339,693
FY2041 - FY2045	2,545,000	261,538	3,016,000	1,180,410	-	-	5,561,000	1,441,948
FY2046	550,000	13,750	2,244,000	273,795	-	-	2,794,000	287,545
	$ 9,045,000	$ 2,740,081	$ 10,945,000	$ 8,043,605	$ 863,000	$ 23,037	$ 20,853,000	$ 10,806,723

Principal and interest requirements to retire the City's long-term bond obligations are as follows:

	Note Payable, Spanish Fork (Construction), 2024A		Note Payable, Spanish Fork (Construction), 2024B		Note Payable, Spanish Fork (Construction), 2020		Note Payable, Spanish Fork (Sewer Capacity)		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
FY2026	$ 159,583	$ 236,292	$ 40,000	$ 10,416	$ 643,333	$ 399,644	$ 933,333	$ -	$ 1,776,249	$ 646,352
FY2027	169,167	228,333	40,600	9,707	734,167	403,555	933,334	-	1,877,268	641,595
FY2028	179,167	219,917	41,200	9,253	773,333	366,847	-	-	993,700	596,017
FY2029	189,167	211,000	41,600	8,793	813,333	328,180	-	-	1,044,100	547,973
FY2030	199,167	201,583	42,200	8,328	857,500	287,513	-	-	1,098,867	497,424
FY2031 - FY2035	1,150,416	849,167	218,400	34,448	4,776,668	899,483	-	-	6,145,484	1,783,098
FY2036 - FY2040	1,478,750	532,000	231,000	21,966	5,312,500	341,717	-	-	7,022,250	895,683
FY2041 - FY2044	1,477,500	159,133	245,000	8,845	185,000	3,700	-	-	1,907,500	171,678
	$ 5,002,917	$ 2,637,425	$ 900,000	$ 111,756	$ 14,095,834	$ 3,030,639	$ 1,866,667	$ -	$ 21,865,418	$ 5,779,820

Long-term debt and obligations payable as of June 30, 2025 were as follows:

	Interest rate	Maturity	Original Amount	Noncurrent portion	Current portion
Governmental activities					
Sales Tax Revenue Bonds, Series 2021	2.125 - 3.00%	6/15/2046	$ 9,360,000	$ 8,725,000	$ 320,000
Bond Issuance Premium		6/15/2046	332,490	270,851	13,572
Sales Tax Revenue Bonds, Series 2023	3.30 - 6.00%	6/15/2048	10,945,000	10,945,000	-
			20,637,490	19,940,851	333,572
Business-type activities					
Water Revenue Refunding Bonds, Series 2020	1.77 - 2.00%	9/15/2027	1,951,000	578,000	285,000
Spanish Fork Note payable (Sewer Construction), 2024A	4.00 - 5.00%	8/20/2044	5,145,000	4,843,334	159,583
Spanish Fork Note payable (Sewer Construction), 2024B	1.12%	8/20/2045	900,000	860,000	40,000
Spanish Fork Note payable (Sewer Construction), 2020	1.64%	8/20/2040	15,955,000	13,452,501	643,333
Spanish Fork Note payable (Sewer Capacity), 2011	0.00%	4/30/2027	2,850,000	933,334	933,333
			26,801,000	20,667,169	2,061,249
			$ 47,438,490	$ 40,608,020	$ 2,394,821

On July 28, 2023, the City issued sales tax revenue bonds, series 2023, in the amount of $10,945,000, for the purpose constructing a city-wide fiber network.

On December 15, 2020, the City issued sales tax revenue bonds, series 2021, in the amount of $9,360,000, for the purpose constructing a city-wide fiber network.

On June 17, 2020, the City issued water revenue refunding bonds, series 2020, in the amount of $1,951,000, for the purpose refunding the existing water revenue bonds, series 2011, to take advantage of long-term cost savings.

8. LONG-TERM DEBT (CONTINUED)

In 2011, the City defeased sewer revenue bonds (series 2007) by placing the proceeds of new bonds (series 2011) in an irrevocable trust to provide for all future debt service payments on the series 2007 bonds. Accordingly, the trust account assets and the liability for the defeased series 2004 bonds are not included on the City's financial statements. As of June 30, 2025, $1,340,000 of series 2004 bonds outstanding are considered defeased.

The City issued 2020 water refunding bonds (2020 series) in the amount of $1,951,000, with the intent to use the additional $246,258 from the 2011 series water refunding bonds reserve account held by the City to refund the 2011 series. The 2011 series was refunded and fully defeased in September 2020. The 2020 series has a maturity date of June 30, 2027. As of June 30, 2025, approximately $454,000 of the 2011 bonds outstanding are considered defeased.

On December 10, 2020, in conjunction with the interlocal agreement entered into between Mapleton City and Spanish Fork City (see note 10), the City signed a promissory note with Spanish Fork City in the amount of $15,955,000, for the purpose of sharing in the costs of construction of the new sewer system. It is expected that the system will be operational during 2027.

During 2025, in conjunction with the interlocal agreement entered into between Mapleton City and Spanish Fork City (see note 9), the City signed two additional promissory notes with Spanish Fork City in the amounts of $5,145,000 and $900,000, for the purpose of continued sharing in the costs of construction of the new sewer system. It is expected that the system will be operational during 2027.

9. RELATED PARTY TRANSACTIONS

Interlocal Agreement with Spanish Fork City

In February 2004, the City entered into an interlocal agreement (the Agreement) with Spanish Fork City for the use and maintenance of a joint wastewater treatment facility, wherein, the cities agreed to jointly build and own this facility, for the transmission and disposal of wastewater sewage (the System). An addendum was added to the Agreement for construction to add a joint trunkline to the System in 2011.

Due to degrading of the existing infrastructure and government regulation, a new system was deemed necessary. A Second Amendment and Restated Interlocal Agreement was signed in January 2021, for the purpose of determining (i) the use, operation and maintenance of the System for the mutual benefit of the Cities; (ii) to provide for an Advisory Group to give recommendations regarding the operation and maintenance of the System; and (iii) the establishment of a system for sharing the costs and expenses related to the use, operation, and maintenance of the System.

Spanish Fork was responsible to obtain funding for the construction through cash and the issuance of municipal bonds and was charged with coordinating the construction, and all necessary maintenance of the System. Spanish Fork issued Sewer Revenue Bonds, Series 2020, in the amount of $73,345,000 ($82,750,000 when including the reoffering premium), under its own full faith and credit. Mapleton City is not party to these bonds and has no legal obligation for the repayment of them. Spanish Fork allocated the bond proceeds, which have been deposited into a construction fund, as follows: $64,750,000 from Spanish Fork and $18,000,000 from Mapleton City. These allocations represent the deposits and purchase price of the System from each City of 80% and 20%, respectively. During 2023, Spanish Fork applied for and received a state grant, earmarked for construction of the System in the amount of $5,000,000. The City was allocated 20% ($1,000,000) of the grant. The amount was recorded as a capital contribution. The City’s balance of unspent construction deposits as of June 30, 2025, was $1,130,111, and is recorded as *Cash Held by Others* on the Balance Sheet.

9. RELATED PARTY TRANSACTIONS (CONTINUED)

Interlocal Agreement with Spanish Fork City (Continued)

If the City's 20% share of capital costs at the end of construction is less than $18,000,000, the difference will be given as a credit toward a future bond payment under this Agreement. The credited amount shall be placed in an interest-bearing account and shall be used towards Mapleton's share of the next bond payment. If Mapleton's 20% share of the capital costs is greater than $18,000,000, the Cities agree to amend the Agreement to account for the difference.

The promissory note between the Cities was executed in December 2020, in the amount of $15,955,000, at a fixed rate of 1.635%, commencing March 1, 2021, and maturing March 1, 2041. The City shall make monthly payments, secured by the net revenues of Mapleton's portion of the System (see note 8). Mapleton shall also pay 20% of the Trustee's fees on the bond, which amount shall be billed separately by Spanish Fork. A late payment penalty of 1.5% per month of any payment past due shall be charged. The balance of the note as of June 30, 2025, was $19,998,751.

In addition to the deposits from the bond proceeds, the Cities were required to deposit funds into an interest-bearing, rate-stabilization fund. The City deposited $1,685,145 in the account during 2022. Spanish Fork deposited $1,114,855. The City's deposit, including interest earned, shall be returned to the City, once it is no longer needed, which is currently estimated to be in fiscal year 2032, which represents the deposits and purchase price of the System from each City of 80% and 20%, respectively. The City's balance of unspent construction deposits as of June 30, 2025, was $1,950,929, including interest earned, and is recorded as *Cash Held by Others* on the Balance Sheet.

The Agreement signed in 2011, required the City to pay Spanish Fork $2,800,000, which was to be paid in full on or before April 30, 2026. The Second Amendment requires the City to pay three annual installments of $933,333 in April 2025, 2026, and 2027, from the net revenues of the City's portion of the System. Interest is not charged on these payments. The balance of the note as of June 30, 2025, was $1,866,667 (see Note 8).

The Agreement states that if the City decides, at a future date, to construct its own sewer treatment system, it may terminate the Agreement and negotiate with Spanish Fork the amount of reimbursement of its capital contributions, based upon the depreciation of the System, its condition and value.

As of June 30, 2025, the City has no intention of terminating the Agreement, however, as of the date of issuance of these financial statements, the Agreement is under re-negotiation and clarification between the two cities, as it relates to the terms of the note payable. Mapleton City management anticipates the note payable terms to potentially increase the interest rate and ultimate debt service obligation of the City over the life of the note.

Interlocal Agreement with South Utah Valley Water Municipal Association

Organized in March 2005, under authority of *The Interlocal Cooperation Act*, the South Utah Valley Water Municipal Association (SUVWMA) is comprised of the following cities: Mapleton, Mapleton, Spanish Fork, Salem, Woodland Hills, Elk Ridge, Payson, Santaquin, Genola, and Goshen, for the purpose of purchasing water for irrigation, municipal, domestic, industrial, and other purposes from Central Utah Valley Water Conservancy District (CUWCD), annually. The City's fee obligation is $854 per year, plus the costs of any applicable water acreage purchased.

9. RELATED PARTY TRANSACTIONS (CONTINUED)

South Utah Valley Solid Waste District

The City is party to a joint venture, with five other municipalities, in the South Utah Valley Solid Waste District (the District). The District was created for the purpose of building a landfill and transfer station and operating the same for the benefit of member municipalities. The majority of the District's solid waste revenue comes from these governmental entities. The District is owned by Mapleton City (15.00%), Provo City (69.75%), Spanish Fork City (11.75%), Mapleton City (2.00%) and Salem City (1.50%).

The District is governed by a board of directors, which is comprised of six members. The mayor and city council of each member city appoints one director. All decisions by the board are by majority vote, except in the case of a tie. In a tie, the votes would be taken by tonnage. For Provo City to prevail in a tie vote, Provo would need one additional city to vote with them. The District's board of directors governs the operations of the District through management employed by the board. The District is subject to the same laws as the creating entities, therefore, it must follow Utah State laws for cities in the areas of fiscal management, budgeting, and financing.

Annually, the City recognizes its pro-rata share of the District's operating income or loss. For the fiscal year ended June 30, 2025, the District reported a decrease in net position of ($1,198,149). The City recognized its 2.00% of the District's income as equity income of a joint venture of $27,153 in its *Waste Collection Fund*. The complete financial statements for South Utah Valley Solid Waste District are available at the District's offices, 2450 West 400 South, Mapleton, Utah. As of June 30, 2025, the balance of the equity investment in joint venture is $319,682.

Other Transactions

The Mayor is a part-owner of two unrelated companies that performed or rendered services for the City during the fiscal year ended June 30, 2025, totaling $3,480. The Council and management of the City are fully aware of the relationship, and all transactions are appropriately authorized. Management does not believe the amount to be significant.

10. PENSION PLANS

General Information about the Pension Plan

Plan Description: Eligible plan participants are provided with pensions throughout the Utah Retirement Systems (URS). The URS are comprised of the following pension trust funds:

Defined Benefit Plans

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

10. PENSION PLANS (CONTINUED)

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 (URS) 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 URS 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 URS, 560 E. 200 S., Salt Lake City, 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 and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 Years	20 years, any age 10 years, age 60 4 years, age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
Firefighters System	Highest 3 Years	20 years, any age 10 years, age 60 4 years, age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 Years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.50% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 Years	25 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.5% per year to June 2020 2.00% per year July 2020 to present	Up to 2.5%

**Actuarial reductions are applied.*
***All post-retirement cost-of-living adjustments (COLA) are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The COLAs 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.*

11. PENSION PLANS (CONTINUED)

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

	Tier 1 - DB System			Tier 2 - DB System				Tier 2 - 401(k) Option			
	Employee	Employer	Employer 401(k)	Tier 2 Fund	Employee	Employer	Employer 401(k)	Tier 2 Fund	Employee	Employer	Employer 401(k)
Noncontributory System											
System											
15 - Local Government	-	16.97%	-	111	0.70	15.19%	-	211	-	5.19%	10.00%
Public Safety System											
Noncontributory											
43 - Other Div A 2.5% COLA	-	33.54%	-	122	4.73%	25.33%	-	222	-	11.33%	14.00%
Firefighters Retirement System											
31 - Other Division A	15.05%	1.61%	-	132	4.73%	14.08%	-	232	-	0.08%	14.00%

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

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

System	Employer	Employee
Noncontributory System	$ 239,775	$ -
Public Safety System	127,280	-
Tier 2 Public Employees System	285,965	13,178
Tier 2 Public Safety and Firefighter	177,371	37,687
Tier 2 DC Public Employees Plan	18,783	-
Tier 2 DC Public Safety and Firefighter Plan	371	-
Total Contributions	$ 849,545	$ 50,865

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

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

On June 30, 2025, we reported a net pension liability of $1,257,557 and a net pension asset of $0.

	Measurement Date - December 31, 2024				
System	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2023	Change (Decrease)
Noncontributory System	$ -	$ 558,383	0.1760841%	0.1592198%	0.0168643%
Public Safety System	-	454,020	0.2934272%	0.2772170%	0.0162102%
Tier 2 Public Employees System	-	175,582	0.0588728%	0.0492249%	0.0096479%
Tier 2 Public Safety and Firefighter	-	69,572	0.1538222%	0.1457149%	0.0081073%
	$ -	$ 1,257,557			

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

For the year ended June 30, 2025, we recognized pension expense of $1,092,035.

11. PENSION PLANS (CONTINUED)

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 498,728	$ 4,866
Changes in assumptions	143,848	1,111
Net difference between projected and actual earnings on pension plan investments	262,503	-
Changes in proportion and differences between contributions and proportionate share of contributions	72,166	32,591
Contributions subsequent to the measurement date	431,526	-
Total	**$ 1,408,771**	**$ 38,568**

$431,526 was reported as deferred outflows of resources related to pensions and results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2025	$ 401,160
2026	465,993
2027	(76,720)
2028	4,439
2029	54,049
Thereafter	89,747

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

For the year ended June 30, 2025, we recognized pension expense of $506,689.

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 332,726	$ -
Changes in assumptions	46,189	-
Net difference between projected and actual earnings on pension plan investments	168,194	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	11,022
Contributions subsequent to the measurement date	120,198	-
Total	**$ 667,307**	**$ 11,022**

$120,198 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.

11. PENSION PLANS (CONTINUED)

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2025	$ 312,169
2026	304,619
2027	(68,248)
2028	(12,463)
2029	-
Thereafter	-

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

For the year ended June 30, 2025, we recognized pension expense of $288,933.

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 47,977	$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	78,578	-
Changes in proportion and differences between contributions and proportionate share of contributions	4,020	-
Contributions subsequent to the measurement date	62,530	-
Total	**$ 193,105**	**$ -**

$62,530 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2025	$ 56,742
2026	111,535
2027	(31,917)
2028	(5,786)
2029	-
Thereafter	-

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

For the year ended June 30, 2025, we recognized pension expense of $4,526.

11. PENSION PLANS (CONTINUED)

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	35,719	18,750
Contributions subsequent to the measurement date	-	-
Total	**$ 35,719**	**$ 18,750**

$0 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2025	$ 4,526
2026	6,716
2027	5,728
2028	-
2029	-
Thereafter	-

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

For the year ended June 30, 2025, we recognized pension expense of $191,093.

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 75,905	$ 1,210
Changes in assumptions	58,642	18
Net difference between projected and actual earnings on pension plan investments	11,222	-
Changes in proportion and differences between contributions and proportionate share of contributions	22,860	1,029
Contributions subsequent to the measurement date	154,028	-
Total	**$ 322,657**	**$ 2,257**

$154,028 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.

11. PENSION PLANS (CONTINUED)

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2025	$ 19,567
2026	30,621
2027	12,927
2028	16,189
2029	38,879
Thereafter	48,189

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

For the year ended June 30, 2025, we recognized pension expense of $70,246.

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 42,120	$ 3,655
Changes in assumptions	39,017	1,093
Net difference between projected and actual earnings on pension plan investments	4,509	-
Changes in proportion and differences between contributions and proportionate share of contributions	9,567	1,791
Contributions subsequent to the measurement date	94,770	-
Total	**$ 189,983**	**$ 6,539**

$94,770 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2025	$ 8,156
2026	12,502
2027	4,790
2028	6,499
2029	15,170
Thereafter	41,558

11. 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	3.25 – 9.50 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, 2024, valuation were based on the results of an actuarial experience study for the period ending December 31, 2023.

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

	Expected Return Arithmetic Basis		
Asset Class	**Target Asset Allocation**	**Real Return Arithmetic Basis**	**Long-term expected portfolio real rate of return**
Equity securities	35.00%	7.01%	2.45%
Debt securities	20.00%	2.54%	0.51%
Real assets	18.00%	5.45%	0.98%
Private equity	12.00%	10.05%	1.21%
Absolute return	15.00%	4.36%	0.65%
Cash and cash equivalents	0.00%	0.49%	0.00%
Totals	100.00%		5.80%
Inflation			2.50%
Expected arithmetic nominal return			8.30%

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

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

Sensitivity of the proportionate share of the net pension asset and liability to changes in discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.85 percent) or 1 percentage point higher (7.85 percent) than the current rate:

System	1% Decrease or 5.85%	Discount Rate of 6.85%	1% Increase or 7.85%
Noncontributory	$ 2,361,502	$ 558,383	$ (953,850)
Public Safety System	1,394,816	454,020	(313,654)
Tier 2 Public Employees System	524,420	175,582	(95,781)
Tier 2 Public Safety and Firefighter	237,234	69,572	(64,476)
Total	$ 4,517,972	$ 1,257,557	$ (1,427,761)

***Pension plan fiduciary net position: Detailed information about the fiduciary net position of the pension plans is available in the separately issued URS financial report

Defined Contributions Savings Plans

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

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

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan

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

	2025	2024	2023
401(k) Plan			
Employer Contributions	$ 36,756	$ 40,621	$ 26,865
Employee Contributions	$ 70,521	$ 76,474	$ 46,908
457(b) Plan			
Employer Contributions	$ -	$ -	$ -
Employee Contributions	$ 49,896	$ 32,798	$ 13,553
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	$ 35,847	$ 29,125	$ 15,720

12. RISK MANAGEMENT

Mapleton City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City obtains insurance through the Utah Risk Management Agency (URMA), a public entity risk pool currently operating as a common risk management and insurance program for Utah State governments. The City pays an annual premium to URMA for its general insurance coverage.

The City also carries comprehensive general liability insurance coverage through a commercial insurance company. Settled claims from this risk type have not exceeded coverage in any of the past three fiscal years.

13. OPERATING TRANSFER RECONCILIATION

The operating transfers among the funds were as follows:

	Transfers in:						
						Enterprise Funds	
	General Fund	City Projects	Community Network	Roads	Debt Service	Pressurized Irrigation	Total
Transfers out:							
Governmental funds:							
General Fund	$ -	$ 2,552,896	$ -	$ 400,000	$ -	$ -	$ 2,952,896
City Projects Fund	-	-	6,000,000	-	-	-	6,000,000
Community Network Fund	-	-	-	-	1,099,933	-	1,099,933
Enterprise funds:							
Water Fund	12,792	191,509	-	-	-	150,000	354,301
Sewer Fund	2,935	448,000	-	-	-	-	450,935
Pressurized Irrigation Fund	93,527	133,000	-	-	-	-	226,527
Storm Drain	180	69,151	-	-	-	-	69,331
Total	$ 109,434	$ 3,394,556	$ 6,000,000	$ 400,000	$ 1,099,933	$ 150,000	$ 11,153,923

Transfers from the general fund were made to pay the general long-term debt and future capital projects. Transfers were made from utility funds to the general fund for the portion of city usage of utilities for which general fund departments were charged. A transfer of Class C Road money from the general fund to the special revenue fund to pay for a major road construction project.

The City budgeted all its vehicle purchases to be from the capital projects fund, which then transfers them to the fund that will use the vehicle. During 2025, the City purchased vehicles totaling $403,601 and transferred them to the water, sewer, and pressure irrigation funds. These transfers are nonreciprocal asset transfers.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Mapleton City, Utah
Schedule of the Proportionate Share of the Net Pension Liability
Utah Retirement Systems
June 30, 2025

	As of December 31,	Proportion of Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
Noncontributory System	2015	0.1467588%	$ 830,433	$ 1,338,767	62.03%	87.80%
	2016	0.1458886%	936,783	1,376,066	68.08%	87.30%
	2017	0.1355930%	594,101	1,248,016	47.60%	91.90%
	2018	0.1341395%	987,766	1,227,558	80.47%	87.00%
	2019	0.1368748%	515,863	1,206,126	42.77%	93.70%
	2020	0.1361211%	69,822	1,238,037	5.64%	99.20%
	2021	0.1447866%	(829,208)	1,392,314	-59.56%	108.70%
	2022	0.1535384%	262,973	1,463,731	17.97%	97.50%
	2023	0.1592198%	369,321	1,514,972	24.38%	96.90%
	2024	0.1760841%	558,383	1,583,912	35.25%	96.02%
Public Safety System	2015	0.2182172%	$ 390,882	$ 292,885	133.46%	87.10%
	2016	0.2130220%	432,280	285,200	151.57%	86.50%
	2017	0.2179803%	341,937	295,818	115.59%	90.20%
	2018	0.2340956%	602,231	309,179	194.78%	84.70%
	2019	0.2387923%	383,409	314,954	121.73%	90.90%
	2020	0.2331352%	193,558	292,032	66.28%	95.60%
	2021	0.2470265%	(200,621)	314,523	-63.79%	104.20%
	2022	0.2818517%	364,455	375,731	97.00%	93.60%
	2023	0.2772170%	396,466	393,651	100.71%	93.44%
	2024	0.2934272%	454,020	415,489	109.27%	93.30%
Tier 2 Public Employees System	2015	0.0112444%	$ (25)	$ 72,643	-0.03%	100.20%
	2016	0.0115733%	1,291	94,911	1.36%	95.10%
	2017	0.0226562%	1,998	221,144	0.90%	97.40%
	2018	0.0264985%	11,349	309,066	3.67%	90.80%
	2019	0.0309416%	6,959	430,128	1.62%	96.50%
	2020	0.0275147%	3,957	439,866	0.90%	98.30%
	2021	0.0289440%	(12,250)	536,493	-2.28%	103.80%
	2022	0.0411445%	44,802	894,438	5.01%	93.20%
	2023	0.0492249%	95,810	1,272,601	7.53%	89.58%
	2024	0.0588728%	175,582	1,743,681	10.07%	87.44%
Tier 2 Public Safety and Firefighter System	2015	0.1800977%	$ (2,631)	$ 107,165	-2.46%	110.70%
	2016	0.1458921%	(1,266)	120,538	-1.05%	103.60%
	2017	0.1224532%	(1,417)	129,279	-1.10%	103.00%
	2018	0.1258785%	3,154	168,400	1.87%	95.60%
	2019	0.1431261%	13,463	235,827	5.71%	89.60%
	2020	0.1822407%	16,346	361,029	4.53%	93.10%
	2021	0.1684558%	(8,514)	402,841	-2.11%	102.80%
	2022	0.1772847%	14,790	545,470	2.71%	96.40%
	2023	0.1457149%	54,890	552,121	9.94%	89.10%
	2024	0.1538220%	69,572	702,157	9.91%	90.10%

Mapleton City, Utah
Schedule of Contributions
Utah Retirement Systems
For the Year Ended June 30, 2025

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Noncontributory System	2016	$ 240,793	$ 240,793	$ -	$ 1,361,793	17.68%
	2017	230,690	230,690	-	1,319,005	17.49%
	2018	211,105	211,105	-	1,224,582	17.24%
	2019	213,052	213,052	-	1,210,078	17.61%
	2020	219,693	219,693	-	1,237,036	17.76%
	2021	219,723	219,723	-	1,276,576	17.21%
	2022	232,669	232,669	-	1,421,279	16.37%
	2023	232,956	232,956	-	1,475,072	15.79%
	2024	255,629	255,629	-	1,633,338	15.65%
	2025	239,775	239,775	-	1,553,568	15.43%
Public Safety Retirement System	2016	$ 94,854	$ 94,854	$ -	$ 300,306	31.59%
	2017	100,179	100,179	-	294,297	34.04%
	2018	104,296	104,296	-	312,819	33.34%
	2019	108,307	108,307	-	318,174	34.04%
	2020	101,925	101,925	-	299,427	34.04%
	2021	102,371	102,371	-	300,737	34.04%
	2022	115,056	115,056	-	338,003	34.04%
	2023	128,452	128,452	-	377,355	34.04%
	2024	149,090	149,090	-	438,237	34.02%
	2025	127,280	127,280	-	379,487	33.54%
Firefighters Retirement System	2016					
	2017					
	2018					
	2019	The City did not qualify for full-time firefighter pension until the Fiscal year ended June 30, 2022				
	2020					
	2021					
	2022	$ 1,595	$ 1,595	$ -	$ 34,594	4.61%
	2023	1,182	1,182	-	24,222	4.88%
	2024	-	-	-	-	0.00%
	2025	-	-	-	-	0.00%
Tier 2 Public Employees System*	2016	11,386	11,386	-	76,358	14.91%
	2017	23,776	23,776	-	161,955	14.68%
	2018	39,086	39,086	-	258,772	15.10%
	2019	59,426	59,426	-	382,720	15.53%
	2020	66,980	66,980	-	427,714	15.66%
	2021	72,427	72,427	-	458,396	15.80%
	2022	106,835	106,835	-	664,809	16.07%
	2023	168,434	168,434	-	1,052,057	16.01%
	2024	252,160	252,160	-	1,578,669	15.97%
	2025	285,965	285,965	-	1,882,585	15.19%
Tier 2 Public Safety and Firefighter System*	2016	$ 25,786	$ 25,786	$ -	$ 114,594	22.50%
	2017	28,903	28,903	-	128,457	22.50%
	2018	30,752	30,752	-	139,891	21.98%
	2019	41,326	41,326	-	179,128	23.07%
	2020	64,704	64,704	-	313,844	20.62%
	2021	86,866	86,866	-	386,189	22.49%
	2022	101,725	101,725	-	457,332	22.24%
	2023	122,367	122,367	-	550,684	22.22%
	2024	140,360	140,360	-	633,117	22.17%
	2025	177,371	177,371	-	796,775	22.26%
Tier 2 DC Public Employees System*	2016	-	-	$ -	$ -	0.00%
	2017	425	425	-	6,358	6.68%
	2018	2,426	2,426	-	36,264	6.69%
	2019	2,610	2,610	-	39,019	6.69%
	2020	2,705	2,705	-	40,428	6.69%
	2021	3,892	3,892	-	62,785	6.20%
	2022	7,883	7,883	-	120,390	6.55%
	2023	12,468	12,468	-	201,428	6.19%
	2024	17,418	17,418	-	283,159	6.15%
	2025	18,783	18,783	-	361,917	5.19%
Tier 2 DC Public Safety and Firefighters System*	2016					
	2017					
	2018					
	2019	The City did not qualify for full-time this pension until the Fiscal year ended June 30, 2023				
	2020					
	2021					
	2022					
	2023	$ 3,443	$ 3,443	$ -	$ 29,102	11.83%
	2024	6,829	6,829	-	57,819	11.81%
	2025	371	371	-	3,274	11.33%

1. CHANGES IN ASSUMPTIONS RELATED TO PENSIONS

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

COMPLIANCE SECTION

PARTNERS

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
JESSE S. MALMROSE, EA
JANICE ANDERSON, EA
TROY F. NILSON, CPA

INDPENDENDT 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
Mapleton City, Utah

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mapleton City, Utah (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 18, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 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 City's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

HBME, LLC

December 18, 2025
Bountiful, Utah

PARTNERS

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
JESSE S. MALMROSE, EA
JANICE ANDERSON, EA
TROY F. NILSON, CPA

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

Honorable Major and Members of the City Council
Mapleton City, Utah

Report On Compliance

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

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

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Fraud Risk Assessment
- Restricted Taxes and Related Revenues
- Governmental Fees
- Open and Public Meetings Act

Opinion on Compliance

In our opinion, Mapleton 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*). Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Compliance Audit Guide but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

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 or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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.

HBME, LLC

December 18, 2025
Bountiful, Utah