

**MARRIOTT-SLATERVILLE CITY
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS
YEAR ENDED JUNE 30, 2025**

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council of
Marriott-Slaterville City

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Marriott-Slaterville 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Marriott-Slaterville 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 Marriott-Slaterville 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, budgetary comparison to actual on the general fund and special revenue funds, schedule of the proportionate share of net pension liability, the schedule of contributions and the notes to the required supplementary information on pages 3–8 and 44–49 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 January 15, 2026, on our consideration of Marriott-Slaterville 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 Marriott-Slaterville City's 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 Marriott-Slaterville City's internal control over financial reporting and compliance.

Child Richards CPAs & Advisors

Ogden, Utah
January 15, 2026

Marriott-Slaterville City, Utah

Management's Discussion and Analysis

for fiscal year ending June 30, 2025

INTRODUCTION

The following is a discussion and analysis of Marriott-Slaterville City's financial performance and activities for the fiscal year ending June 30, 2025. Beginning in fiscal year 2004, the City implemented new financial reporting standards established by GASB (the Governmental Accounting Standards Board). These new standards significantly changed the content and structure of the financial statements.

HIGHLIGHTS

The assets of the City exceeded its liabilities and deferred inflows of resources at the end of the current fiscal year by \$23,472,056 (net position). Net position increased by \$797,117.

The City's governmental funds reported combined ending fund balance of \$3,799,525. Of the combined total fund balance, \$172,998 is available for spending at the discretion of the City as unassigned fund balance, which represents 4.6% of the Governmental Funds fund balance for the year.

The City has no debt obligations at this time. The City has not issued any bonds or similar debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the City's Basic Financial Statements. The Basic Financial Statements includes three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the Basic Financial Statements, this report also contains other supplementary information.

The government-wide financial statements are comprised of: 1) the Statement of Net Position, and 2) the Statement of Activities. These two statements provide a broad overview of the City's finances. The Statement of Net Position shows the overall net position of the City. Over time, increases and decreases in net position are one indicator of the City's overall financial condition. The Statement of Activities helps to identify functions of the City that are principally supported by taxes and other general revenues (governmental activities) along with other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities).

The fund financial statements provide detailed information about individual major funds and not the City as a whole. A fund is a group of related accounts that the City uses to keep track of specific resources that are segregated for a specific purpose. Some funds are required by law to exist, while others are established internally to maintain control over a particular activity. All of the City's funds are divided into two types, each of which uses a different accounting approach. The two types are 1) Governmental Funds and 2) Proprietary Funds.

Governmental Funds – Most of the City's basic services are accounted for in governmental funds and are essentially the same functions reported as governmental activities in the government-wide financial statements.

Proprietary Funds – Marriott-Slaterville City uses two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Marriott-Slaterville City has four enterprise funds – Pioneer Special Service District, Sewer Fund, Storm Water Fund and Solid Waste Fund. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains one internal service fund to account for its fleet activities. Because these services predominantly benefit government rather than business-type activities, they are included with *governmental activities* in the government-wide statements.

Differences between Government-Wide and Fund Statements

- Capital assets and long-term debt are included on the government-wide statements but are not reported on the governmental fund statements.
- Capital outlays result in capital assets on the government-wide statements but are expenditures on the governmental fund statements.
- Certain tax revenues that are earned but not yet available are reported as revenue on the government-wide statements but are deferred revenue on the governmental fund statements.

Notes to the Financial Statements

The notes found within these financial statements provide additional schedules and information that are essential to a complete understanding of the financial statements. The notes apply to both the government-wide financial statements and the fund financial statements.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

The largest component of the City's net position, \$19,421,994 (83%), reflects investments in capital assets (land, buildings, equipment, roads, and other infrastructure). As capital assets, these resources are not available for future spending, nor can they all be readily liquidated to pay off the related liabilities.

Restricted net position comprises 10.2% of total net position and are subject to external restrictions on how they may be used. The remaining 7.1% of net position is unrestricted and may be used at the City's discretion to meet its ongoing obligations to citizens and creditors.

Marriott-Slaterville City

Statement of Net Position Comparative

	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities
	2025	2024	2025	2024
Current and Other Assets	3,849,805	3,985,083	516,902	585,657
Capital Assets (Net)	16,611,161	16,105,462	2,810,833	2,450,201
<i>Total Assets</i>	20,460,966	20,090,545	3,327,735	3,035,858
<i>Deferred Outflows</i>	149,327	136,690	19,745	16,777
Current Liabilities	75,307	254,843	51,145	217,096
Noncurrent Liabilities	356,923	0	0	0
<i>Total Liabilities</i>	432,230	254,843	51,145	217,096
<i>Deferred Inflows</i>	(1,827)	0	4,169	3,925
Net Position				
Net Investment in Capital Assets	16,611,161	16,105,462	2,810,833	2,450,201
Restricted	2,019,682	2,945,314	372,197	294,025
Unrestricted	1,549,047	792,549	109,136	87,388
<i>Total Net Position</i>	20,179,890	19,843,325	3,292,166	2,831,614

Governmental Activities

The activities in the governmental funds resulted in an increase in net position of \$336,565 for the year.

Business-Type Activities

The business-type activities (Pioneer Special Service District, Sewer Fund, Storm Water Fund and Solid Waste Fund) are generating sufficient revenue to cover operating costs.

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Marriott-Slaterville City

Statement of Activities Comparative

	Governmental Activities	Governmental Activities	Business- type Activities	Business- type Activities
	2025	2024	2025	2024
Program Revenues				
Charges for Services	686,340	847,745	801,089	730,792
Operating Grants & Contributions	441,693	173,250	0	0
Capital Grants & Contributions	0	1,494,049	74,230	289,467
General Revenues				
Property Tax	518,171	460,866		
Sales Tax	1,339,251	1,126,663		
Franchise Tax	20,135	23,690		
Other Tax	183,422	174,021		
Other Revenues	204,005	237,787	21,780	18,639
Total Revenues	3,393,017	4,538,071	897,099	1,038,898
Expenses				
General Government	1,059,714	546,781		
Public Safety	487,629	390,735		
Public Works	756,336	174,405		
Community development	557,449	455,535		
Public Utilities			631,871	609,135
Total Expenses	2,861,128	1,567,456	631,871	609,135
Increase in Net Assets before Transfers	531,889	2,970,615	265,228	429,763
Transfers	(195,324)		195,324	
Change in Net Position	336,565	2,970,615	460,552	429,763
Net Position Beginning	19,843,325	17,364,809	2,831,614	2,401,851
Prior Period Adjustment		(492,099)		
Net Position Ending	20,179,890	19,843,325	3,292,166	2,831,614

FOR THE FISCAL YEAR ENDING JUNE 30, 2025

The governmental activities had an increase of \$336,565 for the year.

The business-type activity's net position increased by \$460,552.

Fund Balances

The fund balance in the General Fund decreased by \$638,426.

During the fiscal year, the fund balance in the Community Reinvestment Agency (CRA) Fund increased by \$3,965.

The fund balance in the Housing Fund increased by \$29,163.

The fund balance in the Capital Projects Fund increased by \$510,598 during the fiscal year.

Long-Term Debt

The City currently has no long-term debt.

General Fund Budgets

Marriott-Slaterville City prepares its budget according to state statutes.

Actual General Fund revenues were \$2,904,757 below the Final budget.

Actual General Fund expenses before transfers were \$2,528,370 below the Final budget.

ADDITIONAL INFORMATION

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of Marriott-Slaterville City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information in this report or any other matters related to the City's finances should be addressed to Marriott-Slaterville City, 1570 West 400 North, Marriott-Slaterville, Utah 84404.

BASIC FINANCIAL STATEMENTS

MARRIOTT - SLATERVILLE CITY
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,692,553	\$ 101,638	\$ 1,794,191
Restricted cash	2,019,682	331,885	2,351,567
Accounts receivable	6,626	83,379	90,005
Due from other governmental units	130,944	-	130,944
Net pension asset	-	-	-
Capital assets:			
Land	2,934,988	279,000	3,213,988
Infrastructure	11,309,339	2,686,200	13,995,539
Buildings	2,466,136	-	2,466,136
Improvements	1,703,779	193,505	1,897,284
Machinery and equipment	647,481	-	647,481
Water rights	-	51,000	51,000
Less: accumulated depreciation	(2,450,562)	(398,872)	(2,849,434)
Total capital assets	16,611,161	2,810,833	19,421,994
TOTAL ASSETS	20,460,966	3,327,735	23,788,701
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources relating to pensions	149,327	19,745	169,072
TOTAL ASSETS AND DEFERRED OUTFLOWS	20,610,293	3,347,480	23,957,773
LIABILITIES			
Accounts payable and accrued expenses	75,307	43,092	118,399
Accounts payable from restricted resources	-	-	-
Non-current liabilities:			
Compensated absences	240,399	-	240,399
Pension liabilities	116,524	8,053	124,577
TOTAL LIABILITIES	432,230	51,145	483,375
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	(1,827)	4,169	2,342
TOTAL DEFERRED INFLOWS OF RESOURCES	(1,827)	4,169	2,342
NET POSITION			
Net investment in capital assets	16,611,161	2,810,833	19,421,994
Restricted for:			
Class C roads	-	-	-
Park impact fees	752,408	-	752,408
Public safety impact fees	1,944	-	1,944
Transportation impact fees	743,418	-	743,418
Transportation tax	452,430	-	452,430
Hydrant impact fees	32,941	-	32,941
Host fees	27,810	-	27,810
Liquor funds	8,731	-	8,731
Grants	-	-	-
Utility impact fees	-	372,197	372,197
Unrestricted	1,549,047	109,136	1,658,183
TOTAL NET POSITION	\$ 20,179,890	\$ 3,292,166	\$ 23,472,056

The accompanying notes are an integral part of these statements.

MARRIOTT - SLATERVILLE CITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Revenues					Net (Expense) Revenue and Changes in Net Position Primary Government		
	Charges for Services		Operating Grants and Contributions		Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
	Expenses							
FUNCTIONS/PROGRAMS								
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	\$ 1,059,714	\$ 207,218	\$ 5,000	\$ -	-	\$ (847,496)	\$ -	\$ (847,496)
Public safety	487,629	123,890	-	-	-	(363,739)	-	(363,739)
Public works	756,336	139,315	179,507	-	-	(437,514)	-	(437,514)
Community development	557,449	215,917	257,186	-	-	(84,346)	-	(84,346)
Total governmental activities	2,861,128	686,340	441,693	-	-	(1,733,095)	-	(1,733,095)
Business-type activities:								
PSSD	165,519	253,170	-	-	51,154	-	138,805	138,805
Sewer	22,045	49,120	-	-	3,446	-	30,521	30,521
Storm water	222,227	251,979	-	-	19,630	-	49,382	49,382
Solid waste	222,080	246,820	-	-	-	-	24,740	24,740
Total business-type activities	631,871	801,089	-	-	74,230	-	243,448	243,448
Total primary government	\$ 3,492,999	\$ 1,487,429	\$ 441,693	\$ -	\$ 74,230	(1,733,095)	243,448	(1,489,647)
General revenues:								
Property taxes						518,171	-	518,171
Sales taxes						1,339,251	-	1,339,251
Franchise taxes						20,135	-	20,135
Occupancy/Room tax						54,181	-	54,181
Transportation taxes						129,241	-	129,241
Interest earnings						182,370	21,780	204,150
Miscellaneous						21,635	-	21,635
Transfers in (out)						(195,324)	195,324	-
Total general revenues and transfers						2,069,660	217,104	2,286,764
Change in net position						336,565	460,552	797,117
Net position - beginning (restated)						19,843,325	2,831,614	22,674,939
Net position - ending						\$ 20,179,890	\$ 3,292,166	\$ 23,472,056

The accompanying notes are an integral part of these statements.

MARRIOTT - SLATERVILLE CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	CRA Fund	Housing Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 111,955	\$ 224,099	\$ 73,255	\$ 1,308,271	\$ 1,717,580
Restricted cash	2,019,682	-	-	-	2,019,682
Accounts receivable	6,626	-	-	-	6,626
Due from other governmental units	129,673	1,271	-	-	130,944
Total assets	<u>\$ 2,267,936</u>	<u>\$ 225,370</u>	<u>\$ 73,255</u>	<u>\$ 1,308,271</u>	<u>\$ 3,874,832</u>
LIABILITIES					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	75,256	-	51	-	75,307
Other accrued liabilities	-	-	-	-	-
Total liabilities	<u>75,256</u>	<u>-</u>	<u>51</u>	<u>-</u>	<u>75,307</u>
DEFERRED INFLOWS OF RESOURCES					
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted for:					
Class C roads	-	-	-	-	-
Park impact fees	752,408	-	-	-	752,408
Public safety impact fees	1,944	-	-	-	1,944
Transportation impact fees	743,418	-	-	-	743,418
Transportation tax	452,430	-	-	-	452,430
Hydrant impact fees	32,941	-	-	-	32,941
Host fees	27,810	-	-	-	27,810
Liquor funds	8,731	-	-	-	8,731
Grants	-	-	-	-	-
Assigned to:					
Capital projects	-	-	-	1,308,271	1,308,271
Special revenue - other	-	225,370	73,204	-	298,574
Unassigned	172,998	-	-	-	172,998
Total fund balances	<u>2,192,680</u>	<u>225,370</u>	<u>73,204</u>	<u>1,308,271</u>	<u>3,799,525</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,267,936</u>	<u>\$ 225,370</u>	<u>\$ 73,255</u>	<u>\$ 1,308,271</u>	<u>\$ 3,874,832</u>

The accompanying notes are an integral part of these statements.

MARRIOTT - SLATERVILLE CITY
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total fund balances - governmental funds:		\$ 3,799,525
Amounts reported for governmental activities in the Statement of		
Net Position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	\$ 2,934,988	
Construction in progress	-	
Infrastructure	11,309,339	
Buildings	2,466,136	
Improvements	1,703,779	
Machinery and equipment	242,919	
Accumulated depreciation	<u>(2,363,470)</u>	
		16,293,691
Internal Service Funds are used by management to charge the costs of fleet management to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.		292,443
Net pension assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		-
Deferred outflows of resources, a consumption of net position that applies to future periods, is not shown in the fund statements.		149,327
Deferred inflows of resources, a use of net position that applies to future periods, is not shown in the fund statements.		1,827
Long-term liabilities, including compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds, but they are reported in the Statement of Net Position.		
Net pension liability	(116,524)	
Compensated absences	<u>(240,399)</u>	
		(356,923)
Net position of governmental activities		<u><u>\$ 20,179,890</u></u>

The accompanying notes are an integral part of these statements.

MARRIOTT - SLATERVILLE CITY
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	CRA Fund	Housing Fund	Capital Projects Fund	Total Governmental Funds
REVENUES					
Taxes					
Property taxes	\$ -	\$ 518,171	\$ -	\$ -	\$ 518,171
Sales taxes	1,278,024	61,227	-	-	1,339,251
Occupancy/Room taxes	54,181	-	-	-	54,181
Transportation taxes	129,241	-	-	-	129,241
Franchise taxes	20,135	-	-	-	20,135
Licenses and permits	315,035	-	-	-	315,035
Intergovernmental	187,764	-	-	-	187,764
State grants	257,186	-	-	-	257,186
Local grants	5,000	-	-	-	5,000
Charges for services	218,889	-	-	-	218,889
Fines and forfeitures	123,890	-	-	-	123,890
Miscellaneous revenue	21,635	-	-	-	21,635
Total revenues	2,610,980	579,398	-	-	3,190,378
EXPENDITURES					
Current					
General government	939,009	-	-	-	939,009
Public safety	487,629	-	-	-	487,629
Public works	405,496	-	-	-	405,496
Community development	192,311	360,049	1,871	-	554,231
Capital outlay					
General government	648,601	-	-	85,718	734,319
Public safety	-	-	-	-	-
Public works	151,440	-	-	-	151,440
Community development	-	-	-	-	-
Total expenditures	2,824,486	360,049	1,871	85,718	3,272,124
Excess (deficiency) of revenues over expenditures	(213,506)	219,349	(1,871)	(85,718)	(81,746)
Other financing sources (uses)					
Interest earnings	134,314	8,760	2,214	37,082	182,370
Transfers in	-	-	28,820	559,234	588,054
Transfers out	(559,234)	(224,144)	-	-	(783,378)
Total other financing sources and uses	(424,920)	(215,384)	31,034	596,316	(12,954)
Net change in fund balances	(638,426)	3,965	29,163	510,598	(94,700)
Fund balances - beginning (restated)	2,831,106	221,405	44,041	797,673	3,894,225
Fund balances - ending	\$ 2,192,680	\$ 225,370	\$ 73,204	\$ 1,308,271	\$ 3,799,525

The accompanying notes are an integral part of these statements.

MARRIOTT - SLATERVILLE CITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Amounts reported for governmental activities in the Statement of

Activities are different because:

Net changes in fund balances - total governmental funds	\$	(94,700)
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Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital additions exceeded depreciation in the current period.

Capital outlays	\$ 885,759		
Depreciation expense	(404,330)		481,429

Donations of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources.

Infrastructure			-
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The Statement of Activities includes the net pension benefit (expense from the adoption of GASB 68, which is not included in the fund financial statements).			(20,830)
--	--	--	----------

Internal Service Funds are used by management to charge the costs of fleet management to individual funds. The net income of certain activities of the Internal Service Fund is reported with governmental activities.			20,269
--	--	--	--------

The disposition of capital assets results in the reporting of proceeds in the fund financial statements, but the net book value of the asset is reduced in the statement of activities.

Capital asset balance	(16,022)		
Accumulated depreciation	16,022		-

Some expenses reported in the Statement of Activities do not require use of current financial resources and therefore, are not reported as expenditures in governmental funds.			(49,603)
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Change in net position of governmental activities	\$		336,565
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The accompanying notes are an integral part of these statements.

MARRIOTT - SLATERVILLE CITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Pioneer Special Service	Sewer	Storm Water	Solid Waste	Total	
ASSETS AND DEFERRED OUTFLOWS						
Current assets:						
Cash and cash equivalents	\$ -	\$ 119,045	\$ 108,363	\$ 2,778	\$ 230,186	\$ -
Accounts receivable	14,758	16,610	27,359	24,652	83,379	-
Total current assets	14,758	135,655	135,722	27,430	313,565	-
Noncurrent assets:						
Restricted cash and cash equivalents	-	67,144	264,741	-	331,885	-
Net pension asset	-	-	-	-	-	-
Land	-	-	279,000	-	279,000	-
Water shares	51,000	-	-	-	51,000	-
Depreciable assets	1,356,618	649,780	873,307	-	2,879,705	404,562
Less: accumulated depreciation	(122,542)	(110,437)	(165,893)	-	(398,872)	(87,092)
Total noncurrent assets	1,285,076	606,487	1,251,155	-	3,142,718	317,470
Total assets	1,299,834	742,142	1,386,877	27,430	3,456,283	317,470
Deferred outflows of resources - pension	7,649	-	12,096	-	19,745	-
Total assets and deferred outflows of resources	1,307,483	742,142	1,398,973	27,430	3,476,028	317,470
LIABILITIES AND DEFERRED INFLOWS						
Current liabilities:						
Accounts payable	2,115	389	22,164	18,424	43,092	-
Cash overdraft	128,548	-	-	-	128,548	25,027
Salaries and wages payable	-	-	-	-	-	-
Total current liabilities	130,663	389	22,164	18,424	171,640	25,027
Noncurrent liabilities:						
Net pension liability	4,254	-	3,799	-	8,053	-
Total noncurrent liabilities	4,254	-	3,799	-	8,053	-
Deferred inflows of resources - pension	1,507	-	2,662	-	4,169	-
Total deferred inflows of resources	1,507	-	2,662	-	4,169	-
Total liabilities and deferred inflows of resources	136,424	389	28,625	18,424	183,862	25,027
NET POSITION						
Net investment in capital assets	1,285,076	539,343	986,414	-	2,810,833	317,470
Restricted - impact fees	40,312	67,144	264,741	-	372,197	-
Unrestricted	(154,329)	135,266	119,193	9,006	109,136	(25,027)
Total net position	\$ 1,171,059	\$ 741,753	\$ 1,370,348	\$ 9,006	3,292,166	\$ 292,443

The accompanying notes are an integral part of these statements.

MARRIOTT - SLATERVILLE CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Pioneer Special Service	Sewer	Storm Water	Solid Waste	Total	
OPERATING REVENUE						
Charges for services	\$ 253,170	\$ 49,120	\$ 251,979	\$ 246,820	\$ 801,089	\$ 60,375
Total operating revenue	253,170	49,120	251,979	246,820	801,089	60,375
OPERATING EXPENSES						
Operation and maintenance	67,051	8,390	73,530	-	148,971	-
Depreciation	25,345	9,030	17,128	-	51,503	38,029
General expenses	17,422	4,625	4,625	4,674	31,346	-
Salaries and wages	31,529	-	77,065	-	108,594	-
Employee benefits	19,124	-	49,879	-	69,003	-
Waste collection and disposal	-	-	-	216,221	216,221	-
Total operating expenses	160,471	22,045	222,227	220,895	625,638	38,029
Operating income (loss)	92,699	27,075	29,752	25,925	175,451	22,346
NONOPERATING REVENUE (EXPENSES)						
Impact fees	51,154	3,446	19,630	-	74,230	-
Interest revenue	345	7,428	14,007	-	21,780	-
Interest expense	(5,048)	-	-	(1,185)	(6,233)	(2,077)
Gain (loss) on sale	-	-	-	-	-	-
Total nonoperating revenue	46,451	10,874	33,637	(1,185)	89,777	(2,077)
Income (loss) before contributions	139,150	37,949	63,389	24,740	265,228	20,269
Transfers in (out)	195,324	-	-	-	195,324	-
Change in net position	334,474	37,949	63,389	24,740	460,552	20,269
Net position - beginning	836,585	703,804	1,306,959	(15,734)	2,831,614	272,174
Net position - ending	\$ 1,171,059	\$ 741,753	\$ 1,370,348	\$ 9,006	\$ 3,292,166	\$ 292,443

The accompanying notes are an integral part of these statements.

MARRIOTT - SLATERVILLE CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Pioneer Special Service	Sewer	Storm Water	Solid Waste	Total	
Cash Flows From Operating Activities						
Receipts from customers	\$ 253,170	\$ 49,120	\$ 251,979	\$ 246,820	\$ 801,089	\$ -
Interfund services provided	-	-	-	-	-	60,375
Payments to employees	(36,529)	(3,159)	(78,604)	(3,266)	(121,558)	(2,970)
Payments to suppliers	(68,052)	20,586	(120,577)	(6,071)	(174,114)	10,179
Net cash from operating activities	148,589	66,547	52,798	237,483	505,417	67,584
Cash Flows From Noncapital Financing Activities						
Transfers in/(out)	195,324	-	-	-	195,324	-
Net cash from noncapital financing activities	195,324	-	-	-	195,324	-
Cash Flows From Capital and Related Financing Activities						
Receipts for impact fees	51,154	3,446	19,630	-	74,230	-
Purchases of capital assets	(395,412)	(27,252)	-	(234,705)	(657,369)	(132,059)
Proceeds from sale of assets	-	-	14,067	-	14,067	64,475
Net cash from capital and related financing	(344,258)	(23,806)	33,697	(234,705)	(569,072)	(67,584)
Cash Flows From Investing Activities						
Interest and dividends received	345	7,428	14,007	-	21,780	-
Net cash from investing activities	345	7,428	14,007	-	21,780	-
Net increase (decrease in cash and cash equivalents)	-	50,169	100,502	2,778	153,449	-
Cash and cash equivalents, July 1	-	136,020	272,602	-	408,622	-
Cash and cash equivalents, June 30	\$ -	\$ 186,189	\$ 373,104	\$ 2,778	\$ 562,071	\$ -
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ 92,699	\$ 27,075	\$ 29,752	\$ 25,925	\$ 175,451	\$ 22,346
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	25,345	9,030	17,128	-	51,503	38,029
(Increase) decrease in accounts receivable	(6,834)	(22,302)	(18,247)	(20,718)	(68,101)	-
Increase (decrease) in accounts payable	18,123	28,976	2,832	(6,071)	43,860	10,179
Increase (decrease) in accrued expenses	492	(669)	47	(478)	(608)	(453)
Increase (decrease) in net pension liability	(5,492)	(2,490)	(1,586)	(2,788)	(12,356)	(2,517)
Total adjustments	31,634	12,545	174	(30,055)	14,298	45,238
Net cash provided (used) by operating activities	\$ 124,333	\$ 39,620	\$ 29,926	\$ (4,130)	\$ 189,749	\$ 67,584
Noncash Investing, Capital and Financing Activities:						
Contributed capital assets from developers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these statements.

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Marriott-Slaterville City, Utah conform in all material respects to generally accepted accounting principles (GAAP) as applicable to governments. The City has adopted the provisions of the Governmental Accounting Standards Board (GASB). Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements.

The following is a summary of the more significant policies and is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

A. Reporting Entity

Marriott-Slaterville City was incorporated in the State of Utah on July 1, 1999. The City operates under a traditional council/mayor form of government and provides the following services as authorized by its charter: public safety, public utilities, highways and streets, sanitation, social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The criteria set forth by generally accepted accounting principles (GAAP) was used to determine which entities to include in this report. GASB Concepts Statement-1 (Objectives of Financial Reporting) concludes that the basic foundation for governmental financial reporting is accountability. The Concepts Statement asserts that accountability requires governments to answer to the citizenry - to justify the raising of public resources and the purposes for which they are used. In turn, the concept of accountability becomes the basis for defining the financial reporting entity.

In defining the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by the Governmental Accounting Standards board (GASB). Under GASB Statement No. 61, *The Financial Reporting Entity*, the financial reporting entity consists of the primary government and the following component units:

Blended component units: Blended component units, although legally separate entities, are in substance part of the government's operations. They are reported as part of the primary government and blended with the appropriate funds. The City has the following component units.

On October 21, 2004, the City established the Pioneer Special Service District. The Board of Directors of the Special Service District includes members of the City Council. The Pioneer Special Service District is presented as a blended component with the enterprise funds.

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The City has adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance*. Accordingly, the City has elected to apply all applicable GASB pronouncements and codified accounting standards issued by GASB. The more significant accounting policies established in GAAP and used by the City are discussed below.

The City's basic financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the City as a whole, while the fund statements focus on individual funds.

Government-wide Financial Statements

The government-wide statements present information on all non-fiduciary activities of the primary government. Primary government activities are distinguished between *governmental* and *business-type* activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The *Statement of Net Position* presents the City's non-fiduciary assets and liabilities, with the difference reported as net position. Net positions are restricted when constraints placed upon them are either externally imposed or are imposed by constitutional provisions or enabling legislation. The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. The City does not allocate general government (indirect) expenses to other functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

Fund Financial Statements

The financial transactions of the City are recorded in individual funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Statements are provided for *governmental funds* and for *proprietary funds*. For governmental and proprietary funds, the emphasis is on *major funds*, with each displayed in a separate column.

The City reports the following major governmental funds:

General Fund - This fund is the principal operating fund of the City. It is used to account for all financial resources not required to be accounted for in another fund.

CRA Fund - This fund accounts for the commercial development activities within the City.

Housing Fund - This fund accounts for housing development activities.

Capital Projects Fund - This fund accounts for financial resources to be used for the acquisition or construction of general major capital facilities.

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

The City reports the following major proprietary funds:

Pioneer Special Service District Fund - The pioneer special service district fund is used to account for operations of a secondary water system (a) that is financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Sewer Fund - The sewer fund is used to account for operations of the sewer system, (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Solid Waste Fund - The solid waste fund is used to account for operations of the solid waste system, (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Storm Water Fund - The storm water fund is used to account for operations of the storm water system, (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

Additionally, the City reports the following fund type:

Internal Service Fund - The internal service fund is used to account for the financing of goods and services provided by the motor pool to other departments or agencies of the City, or to other governments, on a cost-reimbursements basis.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Taxes and fees are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

The governmental fund financial statements are prepared and reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Expenditures are generally recorded when the related liability is incurred.

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

D. Assets, Liabilities, and Fund Balances/Net Position

The following are the City's significant policies regarding recognition and reporting of certain assets, liabilities, and equity.

Pooled Cash and Temporary Investments

Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity 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.

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Fund Balances/Net Position (Continued)

Restricted Assets

Certain resources set aside as reserves in accordance with council resolutions and State statutes are classified as restricted assets on the balance sheet because their use is limited.

Capital Assets

General capital assets are not capitalized in the governmental funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures.

Capital assets are reported in the governmental column in the government-wide financial statements. All purchased fixed assets are valued at cost or estimated historical cost. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Capital assets are defined as assets with an initial, individual cost of more than \$5,000.

Infrastructure capital assets which are newly constructed are capitalized. The City currently has infrastructure assets recorded.

Depreciation of all exhaustible capital assets is charged as an expense in the related program. Accumulated depreciation is reported on the Statement of Net Position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	40 years
Improvements	25-50 years
Machinery & Equipment	5-15 years
Infrastructure	50 years

Deferred Outflows/Inflows of Resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Fund Balances/Net Position (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 Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long-term Obligations

In the government-wide statements, long-term debt obligations are reported as liabilities.

Equity

Fund financial statements

In February 2009, GASB issued Statement No. 54 on Fund Balance Reporting and Governmental Fund Type Definitions. The statement is effective for years beginning after June 15, 2010. The statement applies only to governmental fund financial statements and not to government-wide statements or proprietary fund statements. Proprietary fund equity is classified the same as in the government-wide statements. The governmental fund balances may be classified as follows:

- a. Non-spendable - Fund balances that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted fund balance - Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, by law through constitutional provision or enabling legislation, or restrictions set by creditors, grantors, or contributors.
- c. Committed fund balance - Fund balances are reported as committed when the Council formally designates the use of resources by ordinance or resolution for a specific purpose and cannot be used for any other purpose unless the City Council likewise formally changes the use.
- d. Assigned fund balance - Fund balances are reported as assigned when the City Council or Management intends to use funds for a specific purpose. Normally funds are assigned by the appropriation process of setting the budget. Additionally, funds in special revenue, debt service, and capital project funds are by their nature assigned to the purpose of those respective funds.
- e. Unassigned fund balance - Fund balances in the general fund are reported as unassigned when they are neither restricted, committed, nor assigned. They may be used for any governmental purpose.

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Fund Balances/Net Position (Continued)

Equity (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed unless City Council has provided otherwise in its commitment or assignment actions.

Government-wide statements:

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

It is City's policy to first apply restricted resources when the expense is incurred for purposes for which both restricted and unrestricted net position are available.

E. Revenues and Expenditures

The following are the City's significant policies related to recognition and reporting of certain revenues, expenditures, and interfund activity.

Revenue Availability

Under the modified accrual basis of accounting, revenues are considered to be "available" when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The City considers property tax revenues to be available if they are collected within 60 days after the end of the current year. Grants and similar items are recognized as revenue when all eligibility requirements have been met. All other revenues are considered to be available if they are collected within 60 days after year-end.

Statement of Governmental Accounting Standards (SGAS) No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, defines a non-exchange transaction as one in which "a government either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange." For property taxes, at January 1 of each year (the assessment date), the City has the legal right to collect the taxes, and in accordance with the provisions of the new statement, has now recorded a receivable and a corresponding deferred inflows or resources for the assessed amount of those property taxes as of January 1 of the current year.

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Revenues and Expenditures (Continued)

Expenditure Recognition

In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures, and proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

F. Budgets and Budgetary Accounting

Annual budgets are prepared and adopted in accordance with the "Uniform Fiscal Procedures Act of Utah Cities" by the Marriott – Slaterville City Municipal Council on or before June 22nd for the following fiscal year which begins on July 1. Budgets may be increased by resolution of the City Council at any time during the year, following a public hearing. Budgets are prepared in line-item detail; however, budget amendments by resolution are generally required only if the fund desires to exceed its total budget appropriation. The City follows Uniform Fiscal Procedures for Cities as adopted by the State Legislature for policies concerning its budgetary accounting. Annual budgets are adopted for all governmental fund types. All annual appropriations lapse at fiscal year-end.

During the year, no supplemental amendments were made to the City's general fund budget.

G. Contributions

Certain proprietary fund types receive contributions for aid in construction from various sources. With the adoption of GASB No. 33, these contributions that were formerly credited directly to contributed capital accounts are now reflected as non-operating revenue.

H. Compensated Absences

City policy provides for vested or accumulated vacation leave. All compensated absences are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

I. Use of Estimates

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Restricted Resources

The City's policy is to use restricted resources first to fund appropriations when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Adoption of New Accounting Standard

In 2022, GASB announced GASB 101 – Compensated Absences, effective for years beginning after December 15, 2023. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and more likely than not will be used and has not been paid. A liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be paid.

This statement requires that a liability for certain types of compensated absences, including parental leave, military leave, and jury duty leave, not be recognized until the leave is paid.

Adoption of this new standard did require a restatement of prior year net position.

NOTE 2 - DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost or amortized cost, which approximates fair value. Each fund's portion of this pool is displayed as "Cash and Cash Equivalents" which also includes cash accounts that are separately held by some of the City's funds. Deposits are not collateralized nor are they required to be by State statute.

The City follows the requirements of the Utah Money Management Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and investment transactions. This 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.

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of June 30, 2025, \$2,437,174 of the City's bank balances of \$2,938,174 was uninsured and uncollateralized.

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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 administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value of Investments

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

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

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

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Investments by fair value level				
Debt securities:				
Utah Public Treasurer's Investment Fund	\$ 1,220,355	\$ -	\$ 1,220,355	\$ -
Total debt securities	\$ 1,220,355	\$ -	\$ 1,220,355	\$ -

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

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds: quoted prices for similar securities in active markets;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers' Investment Fund: 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.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the 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.

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
PTIF Investments	1,220,355	1,220,355	-	-	-
	1,220,355	1,220,355	-	-	-

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.

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

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
PTIF Investments	1,220,355	-	-	-	1,220,355
	1,220,355	-	-	-	1,220,355

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

Custodial credit risk (investments) – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk.

The City's investment in the Utah Public Treasurer's Investment Fund has no custodial credit risk.

Cash on hand and on deposit:	
Cash on deposit	\$ 2,925,253
Petty cash	150
PTIF investment	1,220,355
Total cash and investments	<u>\$ 4,145,758</u>

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Cash and investments are included in the accompanying combined statement of net position as follows:

Unrestricted cash	\$ 1,794,191
Restricted cash for:	
Class C roads	-
Park impact fees	752,408
Public safety impact fees	1,944
Transportation impact fees	743,418
Transportation tax	452,430
Hydrant impact fees	32,941
Host fees	27,810
Liquor funds	8,731
Grants	-
Utility impact fees	<u>331,885</u>
Total cash and investments	<u><u>\$ 4,145,758</u></u>

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MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 – DISAGGREGATED RECEIVABLES AND PAYABLES

The table below disaggregates the balances due from other government units and amounts reported as accounts receivable on the statement of net position under governmental activities. The receivables in the business-type activities are all due from customers for utility services provided.

	<u>Due From Government Units</u>	<u>Accounts Receivable</u>	<u>Total</u>
Governmental Activities:			
Receivables:			
Customers	\$ -	\$ 6,626	\$ 6,626
Utah State Tax Commission	129,673	-	129,673
County - current property taxes	1,271	-	1,271
	<u>130,944</u>	<u>6,626</u>	<u>137,570</u>
Business-type Activities:			
Customers	-	83,379	83,379
Gross receivables	-	83,379	83,379
Less: allowance for uncollectibles	-	-	-
Net total receivables	<u>\$ 130,944</u>	<u>\$ 90,005</u>	<u>\$ 220,949</u>

	<u>Accounts Payable Due To:</u>		
	<u>Other Governments</u>	<u>Vendors</u>	<u>Total</u>
General Fund	\$ -	\$ 75,256	\$ 118,399
CRA Fund	-	-	-
Housing Fund	-	51	51
Capital Projects Fund	-	-	-
Pioneer Special Service Fund	-	2,115	2,115
Sewer Fund	-	389	389
Storm Water Fund	-	22,164	22,164
Solid Waste Fund	-	18,424	18,424
Internal Service Fund	-	-	-
Total	<u>\$ -</u>	<u>\$ 118,399</u>	<u>\$ 118,399</u>

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 - CAPITAL ASSETS

The City has no leased assets reported in their business-type activities. Capital assets activity for the year ended June 30, 2025, was as follows:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
GOVERNMENTAL ACTIVITIES				
Nondepreciated Assets				
Land	\$ 2,934,988	\$ -	\$ -	\$ 2,934,988
Construction in progress	-	-	-	-
Total nondepreciated assets	<u>2,934,988</u>	<u>-</u>	<u>-</u>	<u>2,934,988</u>
Depreciated Assets				
Buildings	2,466,136	-	-	2,466,136
Other improvements	1,603,520	100,259	-	1,703,779
Machinery and equipment	623,287	40,216	(16,022)	647,481
Infrastructure	<u>10,539,786</u>	<u>769,553</u>	<u>-</u>	<u>11,309,339</u>
Total depreciated assets	<u>15,232,729</u>	<u>910,028</u>	<u>(16,022)</u>	<u>16,126,735</u>
Less accumulated depreciation				
Buildings	(536,508)	(61,330)	-	(597,838)
Other improvements	(550,453)	(67,067)	-	(617,520)
Machinery and equipment	(124,033)	(62,081)	16,022	(170,092)
Infrastructure	<u>(851,260)</u>	<u>(213,852)</u>	<u>-</u>	<u>(1,065,112)</u>
Total accumulated depreciation	<u>(2,062,254)</u>	<u>(404,330)</u>	<u>16,022</u>	<u>(2,450,562)</u>
Net assets depreciated	<u>13,170,475</u>	<u>505,698</u>	<u>-</u>	<u>13,676,273</u>
Governmental activities capital assets, net	<u>\$ 16,105,462</u>	<u>\$ 505,698</u>	<u>\$ -</u>	<u>\$ 16,611,261</u>

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 - CAPITAL ASSETS (CONTINUED)

BUSINESS-TYPE ACTIVITIES	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Nondepreciated Assets				
Land	\$ 279,000	\$ -	\$ -	\$ 279,000
Water rights	51,000	-	-	51,000
Total depreciated assets	330,000	-	-	330,000
Depreciated Assets				
Secondary water system	1,012,402	344,216	-	1,356,618
Sewer system	649,780	-	-	649,780
Storm water system	662,884	16,918	-	679,802
Storm water improvements	193,505	-	-	193,505
Total depreciated assets	2,518,571	361,135	-	2,879,705
Less accumulated depreciation and amortization				
Secondary water system	(97,197)	(25,345)	-	(122,542)
Sewer system	(101,408)	(9,030)	-	(110,438)
Storm water system	(102,692)	(13,258)	-	(115,950)
Storm water improvements	(46,073)	(3,870)	-	(49,943)
Total	(347,370)	(51,503)	-	(398,872)
Net assets depreciated	2,171,201	309,632	-	2,480,834
Business-type activities capital assets, net	<u>\$ 31,150,482</u>	<u>\$ 309,632</u>	<u>\$ -</u>	<u>\$ 2,810,834</u>

DEPRECIATION AND AMORTIZATION EXPENSE

	Governmental Types	Business Types	Totals
General government	\$ 56,482	\$ -	\$ 56,482
Public safety	-	-	-
Public works	309,819	-	347,848
Community development	-	-	-
Internal service	38,029	-	38,029
Pioneer special service	-	25,345	25,345
Sewer	-	9,030	9,030
Storm water	-	17,128	17,128
Solid waste	-	-	-
TOTAL	<u>\$ 404,330</u>	<u>\$ 51,503</u>	<u>\$ 3,381,103</u>

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 - LONG-TERM DEBT

Changes in Long-Term Liabilities – During the year, the following changes occurred in long-term liabilities for the governmental activities:

Description	Interest Rate	Outstanding 6/30/2024	Increase	Decrease	Outstanding 6/30/2025	Current Portion
GOVERNMENTAL ACTIVITIES						
Net Pension Liability	N/A	\$ 81,230	\$ 35,294	\$ -	\$ 116,524	N/A
Compensated Absences	N/A	190,796	49,603	-	240,399	-
TOTAL		\$ 272,026	\$ 84,897	\$ -	\$ 356,923	\$ -

Changes in Long-Term Liabilities – During the year, the following changes occurred in long-term liabilities for the business-type activities:

Description	Interest Rate	Outstanding 6/30/2024	Increase	Decrease	Outstanding 6/30/2025	Current Portion
BUSINESS-TYPE ACTIVITIES						
Net Pension Liability	N/A	1,405	6,648	-	8,053	N/A
TOTAL		\$ 1,405	\$ 6,648	\$ -	\$ 8,053	\$ -

NOTE 6 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS (SBITAs)

The Governmental Accounting Standards Board (GASB) issued statement 96, which amends existing accounting standards for accounting of subscription-based information technology agreements, including requiring subscribers to recognize most intangible subscription assets on the statement of net position and making certain changes to subscription issuing accounting. The new standard is effective for years beginning after June 15, 2022. The City has no subscription-based information technology agreements and was not impacted by the new standard.

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - PENSION PLANS AND RETIREMENT BENEFITS

General Information about the Pension Plan

Plan Description:

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

Defined Benefits Plans

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

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

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MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

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

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age	2.0% per year all years	Up to 4%
		25 years any age*		
		20 years age 60*		
		10 years age 62*		
		4 years age 65		
Tier 2 Public Employees System	Highest 5 years	35 years any age	1.5% per year all years	Up to 2.5%
		20 years age 60*		
		10 years age 62*		
		4 years age 65		

* with actuarial reductions

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

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MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

Contributions 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:

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

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

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

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 52,253	\$ -
Tier 2 Public Employees System	40,681	1,875
Total Contributions	\$ 92,934	\$ 1,875

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.

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MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

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

At June 30, 2025, we reported a net pension liability of \$124,578 and a net pension asset of \$0.

	(Measurement Date): December 31, 2024			Proportionate Share December 31, 2023	Increase (Decrease)
	Net Pension Liability	Net Pension Asset	Proportionate Share		
Noncontributory System	\$ 98,876	\$ -	0.0311803%	0.0282498%	0.0029304%
Tier 2 Public Employees System	25,702	-	0.0086178%	0.0087896%	-0.0001718%
	<u>\$ 124,578</u>	<u>\$ -</u>			

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

For the year ended June 30, 2025, we recognized pension expense of \$117,688.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 70,027	\$ 176
Changes in assumptions	16,763	3
Net difference between projected and actual earnings on pension plan investments	31,426	-
Changes in proportion and differences between contributions and proportionate share of contributions	4,389	2,160
Contributions subsequent to the measurement date	46,467	-
Total	<u>\$ 169,072</u>	<u>\$ 2,339</u>

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

\$46,467 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025	\$ 58,341
2026	58,552
2027	(10,065)
2028	297
2029	5,814
Thereafter	\$ 7,325

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

For the year ended June 30, 2025, we recognized pension expense of \$89,596.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 58,916	\$ -
Changes in assumptions	8,179	-
Net difference between projected and actual earnings on pension plan investments	29,783	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	1,865
Contributions subsequent to the measurement date	26,126	-
Total	<u>\$ 123,004</u>	<u>\$ 1,865</u>

\$26,126 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:

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025	\$ 55,357
2026	53,948
2027	(12,085)
2028	(2,207)
2029	-
Thereafter	\$ -

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

For the year ended June 30, 2025, we recognized pension expense of \$28,092.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,110	\$ 177
Changes in assumptions	8,584	3
Net difference between projected and actual earnings on pension plan investments	1,643	-
Changes in proportion and differences between contributions and proportionate share of contributions	4,389	295
Contributions subsequent to the measurement date	20,341	-
Total	<u>\$ 46,067</u>	<u>\$ 475</u>

\$20,341 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025	\$ 2,984
2026	4,604
2027	2,020
2028	2,504
2029	5,814
Thereafter	\$ 7,325

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

Actuarial assumptions:

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

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

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

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

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

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	35%	7.01%	2.45%
Debt Securities	20%	2.54%	0.51%
Real Assets	18%	5.45%	0.98%
Private Equity	12%	10.05%	1.21%
Absolute Return	15%	4.36%	0.65%
Cash and Cash Equivalents	0%	0.49%	0.00%
Totals	100%		5.80%
		Inflation	2.50%
		Expected arithmetic nominal return	8.30%

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

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

Discount Rate:

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

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

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

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 418,165	\$ 98,876	\$ (168,904)
Tier 2 Public Employees System	76,765	25,702	(14,020)
Total	\$ 494,930	\$ 124,578	\$ (182,924)

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 Contribution Savings Plans:

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

Marriott-Slaterville City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

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

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

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

<u>401(k) Plan</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Employer Contributions	\$ 34,544	\$ 30,192	\$ 28,109
Employee Contributions	49,584	41,623	42,044
<u>457 Plan</u>			
Employer Contributions	-	-	-
Employee Contributions	22,696	18,975	19,769
<u>Roth IRA Plan</u>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	11,098	8,798	8,684
<u>Traditional IRA</u>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	2,154	2,087	2,875

NOTE 8 - RISK MANAGEMENT

Marriott-Slaterville City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City maintains comprehensive insurance coverage in aggregate amounts sufficient to protect against all reasonably foreseeable liability risks. Specific liability policies purchased include automobile, general liability, property, bond (employee dishonesty), treasurer, public officials and officers, excess liability, and workman's compensation. As of June 30, 2025, there is no anticipation of unpaid claims. Therefore, a liability is not accrued. Settlement amounts have not exceeded coverage for the current year or the three prior years.

NOTE 9 - INTER-FUND TRANSFERS AND BALANCES

Occasionally money is reallocated from one fund to another fund in order for the money to be used as it was originally intended. The transfers below took place for that very purpose and will not be repaid. Such amounts for the fiscal year ended June 30, 2025 were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>			
	<u>Housing</u>	<u>Capital Projects</u>	<u>Pioneer Special Service</u>	<u>Total</u>
General	\$ -	\$ 559,234	\$ -	\$ 559,234
CRA	28,820	-	195,324	224,144
Totals	<u>\$ 28,820</u>	<u>\$ 559,234</u>	<u>\$ 195,324</u>	<u>\$ 783,378</u>

MARRIOTT-SLATERVILLE CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 10 - CONTINGENT LIABILITIES

Amounts received or receivables from grantor agencies are subject to audit and adjustment by those grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

NOTE 11 - PROPERTY TAX CALENDAR

Lien date	Jan. 1
Taxing entity notifies the county of date, time, and place of public hearing	Mar. 1
Budget officer of the entity prepares and files with the City Council a tentative budget for the next fiscal year	1 st scheduled council meeting in May
County auditor sends valuation certified tax rate and levy worksheets to each taxing entity	Jun. 8
Taxing entity must adopt a proposed tax rate, certify the rate and levy, and submit to the county auditor	Before Jun. 22
Taxing entity adopts a final tax rate if there is no increase in certified tax rate	Jun. 22
Taxing entity adopts final budget if there is no increase in certified tax rate	Jun. 22
Copy of the budget is submitted to state auditor within 30 days of adoption Payment and delinquency date	Nov. 30

NOTE 12 – RESTATEMENT OF FUND BALANCE/NET POSITION

The City has restated the beginning fund balances and net position. This is due to the City implementing GASB 101, which accounts for the compensated absences in a different manner than previously presented. The effect of this statement is retroactive and has necessitated a prior period adjustment. The effect on the fund balances and net position are as follows:

	6/30/2024 As previously reported	Change in accounting principle	6/30/2024 As restated
Government wide			
Governmental activities	\$ 20,335,424	\$ (492,099)	\$ 19,843,325
Total primary government	<u>\$ 20,335,424</u>	<u>\$ (492,099)</u>	<u>\$ 19,843,325</u>

REQUIRED SUPPLEMENTARY INFORMATION

MARRIOTT - SLATERVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes:				
Sales taxes	1,300,000	1,300,000	1,278,024	(21,976)
Occupancy/room taxes	60,000	60,000	54,181	(5,819)
Transportation taxes	120,000	120,000	129,241	9,241
Franchise taxes	23,000	23,000	20,135	(2,865)
Licenses and permits	325,000	331,655	315,035	(16,620)
Intergovernmental revenue	3,258,000	3,320,443	449,950	(2,870,493)
Charges for services	226,500	226,500	218,889	(7,611)
Fines and forfeitures	80,000	102,139	123,890	21,751
Miscellaneous revenue	32,000	32,000	21,635	(10,365)
TOTAL REVENUES	5,424,500	5,515,737	2,610,980	(2,904,757)
EXPENDITURES				
General government:				
Legislative	22,300	22,300	15,753	6,547
Executive	32,050	32,050	20,748	11,302
City administration	744,000	744,000	723,338	20,662
Non-departmental	3,182,500	3,182,500	827,771	2,354,729
Total general government	3,980,850	3,980,850	1,587,610	2,393,240
Public safety:				
Law enforcement	450,000	460,581	460,581	-
Animal services	24,000	27,050	27,048	2
Total public safety	474,000	487,631	487,629	2
Public works:				
Impact fee use	64,000	64,000	-	64,000
Community services	477,375	582,375	556,936	25,439
Total public works	541,375	646,375	556,936	89,439

MARRIOTT - SLATERVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (Continued)				
Community development:				
Salaries and benefits	\$ 120,000	\$ 120,000	\$ 115,235	\$ 4,765
Materials, supplies and services	118,000	118,000	77,076	40,924
Total community development	238,000	238,000	192,311	45,689
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total debt service	-	-	-	-
TOTAL EXPENDITURES	5,234,225	5,352,856	2,824,486	2,528,370
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	190,275	162,881	(213,506)	(376,387)
OTHER FINANCING SOURCES (USES)				
Appropriations from fund balance	(270,825)	(270,825)	-	270,825
Interest earnings	80,550	107,944	134,314	26,370
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(559,234)	(559,234)
TOTAL OTHER FINANCING SOURCES (USES)	(190,275)	(162,881)	(424,920)	(262,039)
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	(638,426)	(638,426)
Fund balance - July 1	2,831,106	2,831,106	2,831,106	-
Fund balance - June 30	\$ 2,831,106	\$ 2,831,106	\$ 2,192,680	\$ (638,426)

MARRIOTT - SLATERVILLE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
CRA FUND
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Taxes:				
Property taxes	\$ 363,000	\$ 453,193	\$ 518,171	\$ 64,978
Sales taxes	100,000	100,000	61,227	(38,773)
TOTAL REVENUES	<u>463,000</u>	<u>553,193</u>	<u>579,398</u>	<u>26,205</u>
EXPENDITURES				
CRA expenditures				
Professional services	3,000	3,000	-	3,000
Administrative expenses	34,000	34,000	26,766	7,234
Increment tax payments	285,000	285,000	333,283	(48,283)
Capital outlay	150,000	150,000	-	150,000
Total CRA expenditures	<u>472,000</u>	<u>472,000</u>	<u>360,049</u>	<u>111,951</u>
TOTAL EXPENDITURES	<u>472,000</u>	<u>472,000</u>	<u>360,049</u>	<u>111,951</u>
EXCESS (DEFICIENCY) OF				
REVENUE OVER (UNDER)				
EXPENDITURES	<u>(9,000)</u>	<u>81,193</u>	<u>219,349</u>	<u>138,156</u>
OTHER FINANCING SOURCES (USES)				
Appropriations from fund balance	27,000	27,000	-	(27,000)
Interest earnings	4,000	4,000	8,760	4,760
Operating transfers in	-	-	-	-
Operating transfers out	(22,000)	(112,193)	(224,144)	(111,951)
TOTAL OTHER FINANCING				
SOURCES (USES)	<u>9,000</u>	<u>(81,193)</u>	<u>(215,384)</u>	<u>(134,191)</u>
EXCESS (DEFICIENCY) OF				
REVENUE AND OTHER				
FINANCING SOURCES OVER				
(UNDER) EXPENDITURES				
AND OTHER USES	<u>-</u>	<u>-</u>	<u>3,965</u>	<u>3,965</u>
Fund balance - July 1	<u>221,405</u>	<u>221,405</u>	<u>221,405</u>	<u>-</u>
Fund balance - June 30	<u>\$ 221,405</u>	<u>\$ 221,405</u>	<u>\$ 225,370</u>	<u>\$ 3,965</u>

MARRIOTT - SLATERVILLE CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
JUNE 30, 2025
with a measurement date of December 31, 2024
Last 10 fiscal years*

		<u>Noncontributory System</u>	<u>Tier 2 Public Employees Retirement System</u>
Proportion of the net pension liability (asset)	2025	0.0311803%	0.0086178%
	2024	0.0282498%	0.8789600%
	2023	0.0281839%	0.0089280%
	2022	0.0271594%	0.00705780%
	2021	0.0265694%	0.00705780%
	2020	0.0253833%	0.00418830%
	2019	0.0187032%	0.00335620%
	2018	0.0177669%	0.00315940%
	2017	0.0175129%	0.00000000%
	2016	0.0165908%	0.00000000%
Proportion share of the net pension liability (asset)	2025	\$ 98,876	\$ 25,702
	2024	65,527	17,108
	2023	48,272	9,722
	2022	(155,545)	(3,162)
	2021	13,629	1,015
	2020	95,666	942
	2019	137,725	1,437
	2018	77,842	279
	2017	112,545	-
	2016	93,879	-
Covered employee payroll	2025	\$ 286,257	\$ 255,281
	2024	247,961	227,240
	2023	237,382	194,555
	2022	227,112	138,470
	2021	223,755	112,837
	2020	221,225	58,162
	2019	155,534	39,353
	2018	157,689	30,671
	2017	170,757	-
	2016	156,111	-
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2025	34.54%	10.07%
	2024	26.43%	7.53%
	2023	20.34%	5.00%
	2022	-68.49%	-2.28%
	2021	6.09%	0.90%
	2020	43.24%	1.62%
	2019	88.55%	3.65%
	2018	49.36%	0.91%
	2017	65.90%	0.00%
	2016	60.10%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	2025	96.02%	87.44%
	2024	96.90%	89.60%
	2023	97.50%	92.30%
	2022	108.70%	103.80%
	2021	99.20%	98.30%
	2020	93.70%	96.50%
	2019	87.00%	90.80%
	2018	91.90%	97.40%
	2017	87.30%	0.00%
	2016	87.80%	0.00%

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

MARRIOTT - SLATERVILLE CITY
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
JUNE 30, 2025
with a measurement date of December 31, 2024
Last 10 fiscal years*

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2016	\$ 28,393	\$ 28,393	\$ -	\$ 162,617	17.46%
	2017	30,668	30,668	-	174,249	17.60%
	2018	25,518	25,518	-	135,627	18.82%
	2019	35,775	35,775	-	193,694	18.47%
	2020	41,328	41,328	-	223,755	18.47%
	2021	41,328	41,328	-	223,755	18.47%
	2022	42,567	42,567	-	230,468	18.47%
	2023	43,900	43,900	-	244,296	17.97%
	2024	46,383	46,383	-	258,113	17.97%
	2025	52,253	52,253	-	307,913	16.97%
Tier 2 Public Employees System*	2016	\$ -	\$ -	\$ -	\$ -	0.00%
	2017	572	572	-	3,834	14.91%
	2018	7,676	7,676	-	50,799	15.11%
	2019	6,468	6,468	-	41,620	15.54%
	2020	13,471	13,471	-	41,620	15.60%
	2021	18,427	18,427	-	116,625	15.60%
	2022	26,940	26,940	-	167,720	18.47%
	2023	34,847	34,847	-	217,655	16.01%
	2024	38,096	38,096	-	237,950	16.01%
	2025	40,681	40,681	-	267,818	15.19%
Tier 2 Public Employees DC Only System*	2016	\$ -	\$ -	\$ -	\$ -	0.00%
	2017	-	-	-	-	0.00%
	2018	64	64	-	958	6.69%
	2019	2,274	2,274	-	35,464	6.41%
	2020	134	134	-	2,000	6.69%
	2021	-	-	-	-	0.00%
	2022	-	-	-	-	0.00%
	2023	-	-	-	-	0.00%
	2024	-	-	-	-	0.00%
	2025	-	-	-	-	0.00%

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

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

See accompanying notes to required supplementary information

MARRIOTT - SLATERVILLE CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
UTAH RETIREMENT SYSTEMS
JUNE 30, 2025

Changes in Assumptions:

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

AUDITORS' REPORTS & FINDINGS



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

To the Mayor and City Council of
Marriott-Slaterville City

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities and each major fund of Marriott-Slaterville City, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Marriott-Slaterville City's basic financial statements, and have issued our report thereon dated January 15, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marriott-Slaterville 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 Marriott-Slaterville City's internal control. Accordingly, we do not express an opinion on the effectiveness of Marriott-Slaterville City's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marriott-Slaterville City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Child Richards CPAs & Advisors

Ogden, Utah
January 15, 2026



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

To the Mayor and City Council of
Marriott-Slaterville City

Report On Compliance

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

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

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

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on Marriott-Slaterville City's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about Marriott-Slaterville City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of Marriott-Slaterville City's compliance with those requirements.

Opinion on Compliance

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

Other Matters

The results of our auditing procedures disclosed three instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in the accompanying schedule of findings and recommendations as items 2025-01, 2025-02 and 2025-03. Our opinion on compliance is not modified with respect to these matters.

Marriott-Slaterville City's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings. Marriott-Slaterville City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report On Internal Control Over Compliance

Management of Marriott-Slaterville City is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered Marriott-Slaterville City's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Marriott-Slaterville City's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Child, Richards CPAs & Advisors

Ogden, Utah
January 15, 2026

MARRIOTT – SLATERVILLE CITY
SCHEDULE OF FINDINGS
JUNE 30, 2025

2025-01: State Compliance – Budgetary Compliance

Criteria: The Utah State Code requires that total expenditures by fund or department should not exceed the amounts appropriated in the final budget.

Condition: Expenditures in multiple funds exceeded budgeted expenditures for FY 2025.

Cause: The expenditures exceeded the amounts budgeted for FY 2025.

Effect: There is no effect on the financial statements. The City is noncompliant with the Utah State Code.

Recommendation: We recommend the City review and ensure expenditures are not exceeding budgeted amounts. If expenditures exceed amounts budgeted or are likely to exceed budgeted amounts by the end of the fiscal year, we recommend that the budget be amended by the City council.

Management's Response: Management will monitor and review budget on a regular basis. As needed, the budget will be amended.

2025-02: State Compliance – Fraud Risk Assessment

Criteria: The Utah State Code requires that government entities prepare and approve, and present the Fraud Risk Assessment in a board meeting before year-end.

Condition: As of June 30, 2025, the Fraud Risk Assessment had not been prepared or presented in a public meeting.

Cause: The City did not prepare the fraud risk assessment and present the assessment in a public meeting.

Effect: There is no effect on the financial statements. The City is noncompliant with the Utah State Code.

Recommendation: We recommend that the Fraud Risk Assessment be completed, presented and approved in a council meeting before year-end.

Management's Response: Management will ensure the Fraud Risk Assessment is completed, approved and presented in a board meeting before year-end.

**MARRIOTT – SLATERVILLE CITY
SCHEDULE OF FINDINGS
JUNE 30, 2025**

2025-03: State Compliance – Cash Management

Criteria: The Utah State Code requires that entities electronically file a Deposit and Investment Report containing information regarding deposits and investments of the entity during the preceding six months ending December 31 and June 30 respectively.

Condition: The June 30, 2025 Deposit and Investment Report prepared by the City used incorrect bank balances.

Cause: The City used incorrect bank balances when filling out the Deposit and Investment report.

Effect: There is no effect on the financial statements. The City is noncompliant with the Utah State Code.

Recommendation: We recommend the Deposit and Investment report be prepared using the correct bank balances.

Management's Response: Management will ensure the Deposit and Investment report is filled out using the correct bank balances.