

**PLAIN CITY, UTAH
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT
YEAR ENDED JUNE 30, 2025**

PLAIN CITY, UTAH
YEAR ENDED JUNE 30, 2025
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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the City Council
Plain City, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Plain City as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Plain 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, the business-type activities, each major fund, and the aggregate remaining fund information Plain 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 Plain 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 Plain 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025, on our consideration of Plain 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 Plain 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 Plain City's internal control over financial reporting and compliance.

Wink & Associates, P.C.

Ogden, UT

December 23, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

PLAIN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDING JUNE 30, 2025

This document is a narrative overview and analysis of the financial activities of Plain City for the fiscal year ending June 30, 2025. Plain City management encourages readers to consider the information presented here in conjunction with the financial statements, which follow this section. To help the reader with navigation of this report, the City's activities are classified in the following manner: government activities include basic services such as public safety, public works, parks and recreation, and general government administration, while business-type activities include sewer and sanitation. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the City.

Basic Financial Statements

The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the community owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Government activities reflect capital assets including infrastructure and long-term liabilities. Business-type activities have reported capital assets and long-term liabilities. Government activities are also reported on the accrual basis of accounting.

The Statement of Activities focuses on gross and net costs of City programs and the extent to which such programs rely upon general tax and revenues. This statement summarizes the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

Fund financial statements focus separately on major government funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major government funds are presented in their own column. A budgetary comparison is presented for the General Fund, which is the only fund for which a budget is legally adopted. Statements for the City's Proprietary Funds follow the governmental funds and include net position, revenue, expenses and changes in net position, and cash flows.

The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

Readers desiring additional information can find schedules following the financial section of the report on capital assets and long-term liabilities.

The Management's Discussion and Analysis is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

PLAIN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDING JUNE 30, 2025

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Government-wide Financial Statements

A condensed version of the Statement of Net Position at June 30, 2025 and 2024 follows:

	Governmental Activities		Business-type Activities		Total	
	June 30 2025	June 30 2024	June 30 2025	June 30 2024	June 30 2025	June 30 2024
Current assets	\$ 6,969,729	\$ 6,123,822	\$ 3,339,930	\$ 3,222,581	\$ 10,309,659	\$ 9,346,403
Other assets	2,347,127	2,417,023	1,706,964	1,757,159	4,054,091	4,174,182
Capital assets	9,921,492	9,296,083	11,152,569	9,084,790	21,074,061	18,380,873
Total assets	19,238,348	17,836,928	16,199,463	14,064,530	35,437,811	31,901,458
Deferred outflows of resources	140,983	125,278	24,683	21,934	165,666	147,212
Total assets and deferred outflows of resources	19,379,331	17,962,206	16,224,146	14,086,464	35,603,477	32,048,670
Long-term liabilities	108,135	64,955	113,174	233,755	221,309	298,710
Other liabilities	236,350	282,786	303,223	359,243	539,573	642,029
Total liabilities	344,485	347,741	416,397	592,998	760,882	940,739
Deferred inflows of resources	230,658	612,164	402	227,144	231,060	839,308
Total liabilities and deferred inflows of resources	575,143	959,905	416,799	820,142	991,942	1,780,047
Net position:						
Net investments in capital assets	9,921,492	9,296,083	10,977,569	8,718,790	20,899,061	18,014,873
Restricted	2,403,635	2,417,023	1,774,305	1,757,159	4,177,940	4,174,182
Unrestricted	6,479,061	5,289,195	3,055,473	2,790,373	9,534,534	8,079,568
Total net position	<u>\$ 18,804,188</u>	<u>\$ 17,002,301</u>	<u>\$ 15,807,347</u>	<u>\$ 13,266,322</u>	<u>\$ 34,611,535</u>	<u>\$ 30,268,623</u>

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PLAIN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDING JUNE 30, 2025

A condensed version of the Statement of Activities follows:

	Governmental and Proprietary Activities					
	Governmental Activities		Business-type Activities		Total	
	June 30 2025	June 30 2024	June 30 2025	June 30 2024	June 30 2025	June 30 2024
Revenues:						
Program revenues:						
Charges for services	\$ 1,971,181	\$ 2,029,058	\$ 1,029,097	\$ 995,543	\$ 3,000,278	\$ 3,024,601
Grants and contributions	2,011,005	1,964,340	2,183,108	1,526,375	4,194,113	3,490,715
General revenues:						
Taxes	2,438,918	2,286,492			2,438,918	2,286,492
Interest	394,700	454,693	232,834	174,933	627,534	629,626
Miscellaneous	31,739	58,341	-	(2,848)	31,739	55,493
Total revenues	<u>6,847,543</u>	<u>6,792,924</u>	<u>3,445,039</u>	<u>2,694,003</u>	<u>10,292,582</u>	<u>9,486,927</u>
Expenses:						
General government	966,085	1,338,478	-	-	966,085	1,338,478
Public safety	1,321,847	1,179,676	-	-	1,321,847	1,179,676
Public Works	2,106,994	1,971,970	-	-	2,106,994	1,971,970
Parks and recreation	581,167	242,476	-	-	581,167	242,476
Interest	-	-	-	-	-	-
F Sewer	-	-	660,721	710,710	660,721	710,710
Storm Drain	-	-	311,473	342,387	311,473	342,387
Landfill	-	-	1,383	-	1,383	-
Total expenses	<u>4,976,093</u>	<u>4,732,600</u>	<u>973,577</u>	<u>1,053,097</u>	<u>5,949,670</u>	<u>5,785,697</u>
Increase in net assets before transfers	1,871,450	2,060,324	2,471,462	1,640,906	4,342,912	3,701,230
Transfers	(69,563)	(69,563)	69,563	69,563	-	-
Change in net position	1,801,887	1,990,761	2,541,025	1,710,469	4,342,912	3,701,230
Net position-beginning	17,002,301	15,011,540	13,266,322	11,555,853	30,268,623	26,567,393
Net position-ending	<u>\$ 18,804,188</u>	<u>\$ 17,002,301</u>	<u>\$ 15,807,347</u>	<u>\$ 13,266,322</u>	<u>\$ 34,611,535</u>	<u>\$ 30,268,623</u>

Governmental Activities

For the year ended June 30, 2025 the total revenues for the governmental activities were \$6,847,543. Program revenues totaled \$3,982,186. The major sources of program revenues are building permits, impact fees, and capital grants. General revenues for the year totaled \$2,865,357. The major sources of general revenues are taxes and interest earnings. Taxes comprise 36% of the City's total governmental activities revenues. The governmental activities had an increase in net position of \$1,801,887.

PLAIN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDING JUNE 30, 2025

Business-Type Activities

For the year ended June 30, 2025 the total revenues for the business-type activities were \$3,445,039. Program revenues totaled \$3,212,205. The majority of the revenue is from sewer collection and treatment fees and storm drain fees. The general revenues in the business-type activities consist of \$232,834 in interest income. The business-type activities had an increase in net position of \$2,541,025.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Fund Balance

The fund balance in the General Fund was increased by \$377,021. The fund balance in the Capital Projects Fund was increased by \$831,082. The Proprietary Fund which includes the Sewer Fund, Storm Drain and Landfill Fund had an increase in net position of \$2,541,025.

The General Fund balance includes \$2,403,635 of restricted fund balances and \$1,833,709 of unassigned fund balance.

Capital Assets

At June 30, 2025, the City had added \$1,125,956 in new capital assets in governmental activities, including building improvements, park equipment, and roads. The Sewer and Storm Drain Fund added \$2,403,973 in new capital assets, including sewer line infrastructure.

	Governmental Activities		Capital Assets at Year-End Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 515,324	\$ 515,324	\$ -	\$ -	\$ 515,324	\$ 515,324
Const. In Progress	-	-	2,236,298	801,441	2,236,298	801,441
Buildings	3,110,608	3,110,608	-	-	3,110,608	3,110,608
Improvements	1,509,026	1,509,026	-	-	1,509,026	1,509,026
Equipment	2,038,528	1,809,308	368,193	368,193	2,406,721	2,177,501
Infrastructure	11,548,697	10,651,961	-	-	11,548,697	10,651,961
Storm Drain system	-	-	3,733,339	3,194,464	3,733,339	3,194,464
Sewer system	-	-	9,883,404	9,453,163	9,883,404	9,453,163
Subtotal	18,722,183	17,596,227	16,221,234	13,817,261	34,943,417	31,413,488
Accum depreciation	(8,800,691)	(8,300,144)	(5,068,665)	(4,732,471)	(13,869,356)	(13,032,615)
Capital assets, net	<u>\$ 9,921,492</u>	<u>\$ 9,296,083</u>	<u>\$ 11,152,569</u>	<u>\$ 9,084,790</u>	<u>\$ 21,074,061</u>	<u>\$ 18,380,873</u>

PLAIN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDING JUNE 30, 2025

Debt Outstanding

At year-end the City had \$175,000 in bonds outstanding versus \$366,000 last year, a net decrease of \$191,000.

More detailed information on the City's long-term liabilities is present in the notes to the financial statements.

Budgetary Highlights

Over the course of the year the City Council amended the budget. Actual General Fund revenues were \$888,177 above the original budget and \$333,777 above the final amended budget. Actual General Fund expenditures before transfers were \$534,407 above the original budget and \$270,325 below the final amended budget.

General Fund Tax Revenues by Source

Property taxes make up 3.79% of General Fund revenues.

Sales and use taxes make up 29.53% of General Fund revenues.

Franchise taxes make up 8.22% of General Fund revenues.

FINANCIAL CONTACT

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City's Treasurer at 4132 West 2200 North, Plain City, Utah 84404.

BASIC FINANCIAL STATEMENTS

PLAIN CITY
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS	Governmental Activities	Business-type Activities	Total
Cash	\$ 5,912,033	\$ 3,106,412	\$ 9,018,445
Accounts Receivable (Net)	228,672	166,177	394,849
Due from Other Governments	696,507	-	696,507
Prepaid Expenses	76,009	-	76,009
Restricted Cash	2,403,635	1,774,305	4,177,940
Net Pension Asset	-	-	-
Capital Assets:			
Construction in Progress	-	2,236,298	2,236,298
Land	515,324	-	515,324
Land Improvements	1,509,026	-	1,509,026
Buildings	3,110,608	-	3,110,608
Sewer System	-	9,883,404	9,883,404
Storm System	-	3,733,339	3,733,339
Machinery and Equipment	2,038,528	368,193	2,406,721
Infrastructure	11,548,697	-	11,548,697
Less Accumulated Depreciation	(8,800,691)	(5,068,665)	(13,869,356)
Total Capital Assets, Net	9,921,492	11,152,569	21,074,061
Total Assets	19,238,348	16,199,463	35,437,811
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources relating to pension	140,983	24,683	165,666
Total Assets and Deferred Outflows of Resources	19,379,331	16,224,146	35,603,477
LIABILITIES			
Accounts Payable & Accrued Expenses	180,100	123,410	303,510
Accrued Interest Payable	-	4,813	4,813
Noncurrent Liabilities			
Due within one year	56,250	175,000	231,250
Due within more than one year	108,135	113,174	221,309
Total Liabilities	344,485	416,397	760,882
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - Property Taxes	228,116	-	228,116
Deferred inflows of resources relating to pension	2,542	402	2,944
Total Deferred Inflows of Resources	230,658	402	231,060
Total Liabilities and Deferred Inflows of Resources	575,143	416,799	991,942
NET POSITION			
Net Investment in Capital Assets	9,921,492	10,977,569	20,899,061
Restricted For:			
Class C Roads	290,689	-	290,689
Public Safety - Impact Fees	3,050	-	3,050
Enterprise - Impact Fees	-	1,774,305	1,774,305
Parks - Impact Fees	1,224,596	-	1,224,596
Transportation - Impact Fees	517,563	-	517,563
Transportation Tax	367,737	-	367,737
Unrestricted	6,479,061	3,055,473	9,534,534
Total Net Position	\$ 18,804,188	\$ 15,807,347	\$ 34,611,535

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

PLAIN CITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenues			Changes in Net Position		
		Charges for	Operating	Capital Grants	Governmental	Business-	
	Expenses	Services	Grants and	and	Activities	type	Total
			Contributions	Contributions		Activities	
Functions/Programs							
Governmental Activities							
General Government	\$ 966,085	\$ 644,379	\$ -	\$ -	\$ (321,706)	\$ -	\$ (321,706)
Public Safety:							
Police	841,785	25,682	-	-	(816,103)	-	(816,103)
Fire	480,062	-	-	8,055	(472,007)	-	(472,007)
Public Works	2,106,994	1,111,630	657,259	781,678	443,573	-	443,573
Parks	299,367	10,045	-	564,013	274,691	-	274,691
Recreation	281,800	179,445	-	-	(102,355)	-	(102,355)
Total Governmental Activities	4,976,093	1,971,181	657,259	1,353,746	(993,907)	-	(993,907)
Business-type Activities							
Sewer	660,721	817,554	-	1,571,686	-	1,728,519	1,728,519
Storm Drain	311,473	211,543	-	611,422	-	511,492	511,492
Landfill	1,383	-	-	-	-	(1,383)	(1,383)
Total Business-type Activities	973,577	1,029,097	-	2,183,108	-	2,238,628	2,238,628
Total Government	\$ 5,949,670	\$ 3,000,278	\$ 657,259	\$ 3,536,854	(993,907)	2,238,628	1,244,721
General Revenues:							
Taxes							
Property					221,011	-	221,011
Sales and Use					1,694,018	-	1,694,018
Franchise & Telecomm					492,231	-	492,231
Fee in Lieu					19,825	-	19,825
RAMP					11,833	-	11,833
Interest and Investment Earnings					394,700	232,834	627,534
Miscellaneous					31,739	-	31,739
Gain (loss) on sale of assets					-	-	-
Transfers in (out)					(69,563)	69,563	-
Total General Revenues					2,795,794	302,397	3,098,191
Change in Net Position					1,801,887	2,541,025	4,342,912
Net Position at Beginning of Year					17,002,301	13,266,322	30,268,623
Net Position at End of Year					\$ 18,804,188	\$ 15,807,347	\$ 34,611,535

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

**PLAIN CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash	\$ 1,316,746	\$ 4,595,287	\$ 5,912,033
Restricted Cash	2,403,635	-	2,403,635
Accounts Receivable	228,672	-	228,672
Due from Other Governments	696,507	-	696,507
Prepaid Expenses	76,009	-	76,009
TOTAL ASSETS	\$ 4,721,569	\$ 4,595,287	\$ 9,316,856
LIABILITIES			
Accounts Payable	\$ 169,302	\$ -	\$ 169,302
Wages Payable	10,798	-	10,798
TOTAL LIABILITIES	180,100	-	180,100
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - Property Taxes	228,116	-	228,116
TOTAL DEFERRED INFLOWS OF RESOURCES	228,116	-	228,116
FUND BALANCES			
Nonspendable - Prepaids	76,009	-	76,009
Restricted for:			
Class C Roads	290,689	-	290,689
Public Safety - Impact Fees	3,050	-	3,050
Parks - Impact Fees	1,224,596	-	1,224,596
Transportation - Impact Fees	517,563	-	517,563
Transportation Tax	367,737	-	367,737
Ramp Grant	-	-	-
Assigned for:			
Capital Projects	-	4,595,287	4,595,287
Unassigned	1,833,709	-	1,833,709
TOTAL FUND BALANCES	4,313,353	4,595,287	8,908,640
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,721,569	\$ 4,595,287	\$ 9,316,856

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

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

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

Total fund balances--total governmental funds	\$ 8,908,640
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	9,921,492
Long-term liabilities are not due and payable in the current and therefore are not reported in the funds. Those liabilities consist of:	
Net pension liability	(108,135)
Compensated Absences	(56,250)
Deferred outflows of resources, a consumption of net position that applies to future periods, is not shown in the fund statements.	140,983
Deferred inflows of resources, a use of net position that applies to future periods, is not shown in the fund statements.	(2,542)
Net pension assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>-</u>
Net position of governmental activities	<u><u>\$ 18,804,188</u></u>

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

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

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 2,470,918	\$ -	\$ 2,470,918
Licenses and Permits	611,035	-	611,035
Intergovernmental	956,593	146,271	1,102,864
Charges for Services	1,263,295	-	1,263,295
Fines	25,682	-	25,682
Impact Fees	237,786	-	237,786
Other Revenues	171,618	293,990	465,608
Total Revenues	<u>5,736,927</u>	<u>440,261</u>	<u>6,177,188</u>
EXPENDITURES			
Current Operating:			
General Government	862,086	45,043	907,129
Public Safety	1,293,530	-	1,293,530
Public Works	1,780,206	-	1,780,206
Parks and Recreation	463,055	-	463,055
Capital:			
General Government	-	46,969	46,969
Public Safety	-	-	-
Public Works	226,382	-	226,382
Parks and Recreation	18,000	164,251	182,251
Total Expenditures	<u>4,643,259</u>	<u>256,263</u>	<u>4,899,522</u>
Excess of Revenues Over (Under) Expenditures	<u>1,093,668</u>	<u>183,998</u>	<u>1,277,666</u>
OTHER FINANCING SOURCES (USES)			
Transfers-In	-	647,084	647,084
Transfers-Out	(716,647)	-	(716,647)
Total Other Financing Sources (Uses)	<u>(716,647)</u>	<u>647,084</u>	<u>(69,563)</u>
Net Change in Fund Balances	377,021	831,082	1,208,103
Fund Balances at Beginning of Year	<u>3,936,332</u>	<u>3,764,205</u>	<u>7,700,537</u>
Fund Balances at End of Year	<u>\$ 4,313,353</u>	<u>\$ 4,595,287</u>	<u>\$ 8,908,640</u>

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

PLAIN CITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balance, total governmental funds \$ 1,208,103

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

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

Capital Outlays	455,602	
Depreciation Expense	<u>(500,547)</u>	(44,945)

The effect of contributed capital assets from developers is not recorded in the fund financial statements, but is reported as revenues and capital assets in the government-wide financial statements.	670,355
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental funds.

Compensated absences	(3,033)
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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	-
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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.	<u>(28,593)</u>
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Change in net position of governmental activities	<u><u>\$ 1,801,887</u></u>
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PLAIN CITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Sewer	Landfill	Storm Drain	Total
ASSETS				
Current Assets:				
Cash	\$ 2,735,186	\$ 316,125	\$ 55,101	\$ 3,106,412
Accounts Receivable (Net)	129,003	-	37,174	166,177
Total Current Assets	2,864,189	316,125	92,275	3,272,589
Noncurrent Assets:				
Restricted Cash	908,822	-	865,483	1,774,305
Net Pension Asset	-	-	-	-
Capital Assets				
Construction In Progress	2,236,298	-	-	2,236,298
Sewer System	9,883,404	-	-	9,883,404
Storm System	-	-	3,733,339	3,733,339
Machinery and Equipment	368,193	-	-	368,193
Less Accumulated Depreciation	(3,861,538)	-	(1,207,127)	(5,068,665)
Total Capital Assets, Net	8,626,357	-	2,526,212	11,152,569
Total Assets	12,399,368	316,125	3,483,970	16,199,463
Deferred Outflows of Resources:				
Deferred Outflows of Resources Relating to Pensions	13,087	-	11,596	24,683
Total Assets and Deferred Outflows of Resources	\$12,412,455	\$ 316,125	\$ 3,495,566	\$16,224,146
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 117,232	\$ -	\$ 6,178	\$ 123,410
Accrued Interest	4,813	-	-	4,813
Revenue bonds payable, current portion	175,000	-	-	175,000
Total Current Liabilities	297,045	-	6,178	303,223
Noncurrent Liabilities:				
Revenue bonds payable, net of current portion	-	-	-	-
Compensated absences	45,476	-	-	45,476
Net pension liability	10,038	-	8,895	18,933
Landfill closure/postclosure care costs	-	48,765	-	48,765
Total Liabilities	352,559	48,765	15,073	416,397
Deferred Inflows of Resources				
Deferred Inflows of Resources Relating to Pensions	213	-	189	402
Deferred Inflows of Resources Relating to ARPA	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	352,772	48,765	15,262	416,799
NET POSITION				
Net Investment in Capital Assets	8,451,357	-	2,526,212	10,977,569
Restricted for Impact Fees	908,822	-	865,483	1,774,305
Unrestricted	2,699,504	267,360	88,609	3,055,473
Total Net Position	12,059,683	267,360	3,480,304	15,807,347
Total Liabilities and Net Position	\$12,412,455	\$ 316,125	\$ 3,495,566	\$16,224,146

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

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

	Sewer	Landfill	Storm Drain	Total
Operating Revenues:				
Sewer User Fees	\$ 790,354	\$ -	\$ -	\$ 790,354
Storm Drain User Fees	-	-	211,543	211,543
Connection Fees	27,200	-	-	27,200
Total Operating Revenues	817,554	-	211,543	1,029,097
Operating Expenses:				
Personnel Costs	151,697	-	103,677	255,374
Operation Maintenance	169,545	1,383	60,754	231,682
Utilities	49,548	-	-	49,548
Professional Fees	46,158	-	4,860	51,018
Depreciation	216,029	-	120,163	336,192
Collection Fees	22,019	-	22,019	44,038
Total Operating Expenses	654,996	1,383	311,473	967,852
Operating Income (Loss)	162,558	(1,383)	(99,930)	61,245
Nonoperating Revenues (Expenses)				
Impact Fees	264,550	-	72,547	337,097
Interest Revenue	168,670	21,680	42,484	232,834
Interest Expense	(5,725)	-	-	(5,725)
Grant income	876,895	-	-	876,895
Gain/(loss) on Sale of Asset	-	-	-	-
Total Nonoperating Revenues (Expenses)	1,304,390	21,680	115,031	1,441,101
Income (Loss) Before Contributions	1,466,948	20,297	-	1,502,346
Contributions From Developers	430,241	-	538,875	969,116
Transfers				
Transfers in	-	69,563	-	69,563
Total Transfers	-	69,563	-	69,563
Change in Net Position	1,897,189	89,860	553,976	2,541,025
Total Net Position - Beginning	10,162,494	177,500	2,926,328	13,266,322
Total Net Position - Ending	\$12,059,683	\$ 267,360	\$ 3,480,304	\$15,807,347

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

PLAIN CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Sewer</u>	<u>Landfill</u>	<u>Storm Drain</u>	<u>Total</u>
Cash Flows from Operating Activities				
Cash Received From Customers	\$ 816,999	\$ -	\$ 209,952	\$ 1,026,951
Cash Paid to Suppliers	(292,191)	-	(84,447)	(376,638)
Cash Paid to Employees	(136,615)	-	(101,346)	(237,961)
Net Cash Provided (Used) by Operating Activities	<u>388,193</u>	<u>-</u>	<u>24,159</u>	<u>412,352</u>
Cash Flows from Noncapital Financing Activities				
Transfers In	-	69,563	-	69,563
Transfers Out	-	-	-	-
Net Cash Used in Noncapital Financing Activities	<u>-</u>	<u>69,563</u>	<u>-</u>	<u>69,563</u>
Cash Flows from Capital and Related Financing Activities				
Principal Payments	(191,000)	-	-	(191,000)
Acquisition of Capital Assets	(1,434,857)	-	-	(1,434,857)
Grant Proceeds	650,000	-	-	650,000
Interest Paid	(10,981)	-	-	(10,981)
Impact Fees	264,550	-	72,547	337,097
Net Cash Used in Capital and Related Financing Activities	<u>(722,288)</u>	<u>-</u>	<u>72,547</u>	<u>(649,741)</u>
Cash Flows from Investing Activities				
Interest on Investments	168,670	21,680	42,484	232,834
Gain/(loss) on sale of asset	-	-	-	-
Net Cash Provided by Investing Activities	<u>168,670</u>	<u>21,680</u>	<u>42,484</u>	<u>232,834</u>
Net Increase (Decrease) in Cash	(165,425)	91,243	139,190	65,008
Cash - July 1	3,809,433	224,882	781,394	4,595,921
Cash - June 30	<u>\$ 3,644,008</u>	<u>\$ 316,125</u>	<u>\$ 920,584</u>	<u>\$ 4,660,929</u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating Income (Loss)	\$ 162,558	\$ (1,383)	\$ (99,930)	\$ 61,245
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities				
Depreciation	216,029	-	120,163	336,192
Changes in Assets and Liabilities:				
Accounts Receivable	(555)	-	(1,591)	(2,146)
Net Pension Asset	-	-	-	-
Accounts Payable	(4,921)	1,383	3,186	(352)
Compensated Absences	12,449	-	-	12,449
Deferred (Inflow) Outflow - Pensions	(1,375)	-	(1,221)	(2,596)
Net Pension Liability	4,008	-	3,552	7,560
Net Cash Provided by Operating Activities	<u>\$ 388,193</u>	<u>\$ -</u>	<u>\$ 24,159</u>	<u>\$ 412,352</u>
 Noncash investing and capital activities:				
Contributions from Developers	\$ 430,241	\$ -	\$ 538,875	\$ 969,116

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

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The government is a municipal corporation governed by an elected mayor and council. The City was incorporated July 3, 1967. The City provides the following services as authorized by its charter: public safety (police and fire), public utility (sewer), highways and streets, sanitation, social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

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 no component units.

B. Basic 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 the government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

Statement of Net Position - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end.

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basic Financial Statements (continued)

Statement of Activities - The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted for meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column.

C. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

There are three categories of funds: governmental, proprietary, and fiduciary. The following fund types are used by the City:

Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The following is a description of the major governmental funds of the City:

General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting (continued)

Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The government applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations.

Proprietary Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's various departments. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The following is a description of the proprietary funds of the City.

Sewer Fund is used to account for the provision of sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the funds.

Landfill Fund is used to account for the landfill and its estimated future retirement costs.

Storm Drain Fund is used to account for operations of the storm drain 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.

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

Government-wide financial statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled Sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available").

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. The government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for un-matured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, licenses, and interest are susceptible to accrual. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual' criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Liabilities and Equity

1. Cash & Cash Equivalents and 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.

2. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

3. Receivables and Payables

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

4. Capital Assets

Capital assets which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Liabilities and Equity (continued)

4. Capital Assets (continued)

Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more and over three years of useful life. Infrastructure assets capitalized have an original cost of \$100,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	50
Sewer system	50
Infrastructure	20
Equipment	7

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

5. Compensated Absences

It is the government's policy to accrue accumulated unpaid vacation when earned (or estimated to be earned) by the employee. The balance for governmental funds is maintained separately and represents a reconciling item between the fund financial statements and government-wide presentations.

6. Long-term Liabilities

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

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities consist primarily of capital leases and bonds payable.

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

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Liabilities and Equity (continued)

7. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category. It is the deferred contributions and differences between projected and actual earnings on its pension plan assets.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only two types of items reported under this category. First, unavailable revenue-property taxes are reported as deferred inflows of resources since they are recognized as receivables before the period for which the taxes are levied. The second type is related to the City's pension plan. The City participates in the Utah Retirement Systems and has deferred inflows of resources associated with differences between expected and actual experience and changes in assumptions.

8. Equity Classifications

Net Position/Fund Balances - The difference between assets and liabilities is *net position* on the government-wide and proprietary fund statements, and *fund balance* on the governmental fund statements.

Fund Financial Statements

GASB issued Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions.

The statement applies only to 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 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 provisions or enabling legislation, or restrictions set by creditors, grantors, or contributors.

**PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Equity (continued)

8. Equity Classifications (continued)

- 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.

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

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Liabilities and Equity (continued)

9. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services provided and used are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as non-operating transfers.

10. Property Tax

Real property taxes are collected by the County Treasurer and remitted to the City after collection. Taxes are due and payable on November 1st and delinquent after 12 o'clock noon on November 30th of each year. The tax levy is established by June 15th with a lien date of January 1st. Property tax revenue is not recognized when levied, because it is not expected to be collected within 60 days after the end of the fiscal year.

11. Operating Revenues and Expenses

Operating revenues and expenses in the proprietary funds consist of those revenues that result from the ongoing principal operations of the City. Operating revenues consist of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing type activities and result from non-exchange transactions or ancillary activities.

12. 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.

**PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Liabilities and Equity (continued)

13. Leases

The Governmental Accounting Standards Board (GASB) issued statement 87, which amends existing accounting standards for lease accounting, including required lessees to recognize most leases on the statement of net position and making certain changes to lessor accounting. The new standard is effective for years beginning after June 15, 2021. The City has no leases and recognizes no right of use assets nor lease liabilities.

14. Subscription Based Information Technology Agreements, SBITA (New Accounting Standard)

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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budget Information

Annual budgets are prepared and adopted in accordance with the "Uniform Fiscal Procedures Act for Utah cities" by the Plain City Municipal Council on or before June 15th for the following fiscal year, which begins on July 1st. Budgets may be increased by resolution of the Municipal Council at any time during the year, following a public hearing. Budgets are adopted at sub-department levels; however, budget amendments by resolution are generally required only if the department desires to exceed its total budget appropriation.

All budgets are adopted on a basis consistent with generally accepted accounting principles.

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

1. On or before May 1st, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to the formal adoption of the budget the City Council will hold budget workshop meetings, which are open to the public.

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budget Information (continued)

3. Prior to June 15th the City Council sets a date for a public budget hearing at which time taxpayers' comments are heard. Copies of the proposed budget are made available for public inspection 10 days prior to the budget hearing. At the conclusion of the budget hearing the budget, as amended, is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund and Enterprise Funds.
5. Budgets for the General Fund are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Budgets for the proprietary fund types are prepared using the accrual basis of accounting except that depreciation for all proprietary fund types are not budgeted. Budgeted amounts are as originally adopted, or as amended by the City Council during the fiscal year.
6. Unencumbered budget appropriations lapse at the end of the fiscal year.

B. Fund Equity Restrictions

Restricted for Storm Drain Impact Fees - The City Council passed an ordinance on July 11, 1985 providing for storm drain impact fees on all new construction. These fees collected are to be restricted for future storm drain expansion and improvements.

Restricted for Class "C" Roads - The State of Utah remits a portion of license fees paid and gasoline taxes collected to local units of government as Class "C" Road Funds to be used for the construction and maintenance of roads within the boundaries of the local jurisdiction. All unexpended funds that have been received are restricted at the end of the fiscal year to be appropriated in subsequent budget years.

Restricted for Park Impact Fees - The City collects park impact fees, these fees are to be expended only on park expansion and improvements. Any unexpended funds that have been received at the end of the fiscal year are restricted and are to be used for subsequent years.

Restricted for Sewer Impact Fees - The City collects sewer impact fees, these fees are to be expended only on the sewer expansion and improvements. Any unexpended funds that have been received at the end of the fiscal year are restricted and are to be used for subsequent years.

Restricted for Public Safety Impact Fees - The City collects public safety impact fees, these fees are only expended on public safety expansion and improvements. Any unexpended funds that have been received at the end of the fiscal year are restricted and are to be used for subsequent years.

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

B. Fund Equity Restrictions (continued)

Restricted for Transportation Impact Fees - The City collects transportation impact fees, these fees are only expended on transportation expansion and improvements. Any unexpended funds that have been received at the end of the fiscal year are restricted and are to be used for subsequent years.

Restricted for Transportation Tax - The City receives additional sales tax which can only be expended on public transit and highway construction & maintenance. Any unexpended funds that have been received at the end of the fiscal year are restricted and are to be used for subsequent years.

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS

A. 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's 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, \$387,487 of the City's bank balances of \$637,487 was uninsured and uncollateralized.

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.

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

A. Deposits and Investments (continued)

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 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.

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

A. 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.

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:

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Investments by fair value level				
Debt securities:				
Utah Public Treasurer's Investment Fund	\$ 13,001,837	\$ -	\$ 13,001,837	\$ -
Total debt securities	<u>\$ 13,001,837</u>	<u>\$ -</u>	<u>\$ 13,001,837</u>	<u>\$ -</u>

- 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 's average daily balance in the Fund.

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

A. Deposits and Investments (continued)

Interest Rate Risk

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

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

Investment Maturities (in Years)

Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
PTIF Investments	13,001,837	13,001,837	-	-	-
	13,001,837	13,001,837	-	-	-

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	13,001,837	-	-	-	13,001,837
	13,001,837	-	-	-	13,001,837

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

A. Deposits and Investments (continued)

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 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	\$ 194,548
PTIF investment	<u>13,001,837</u>
Total cash and investments	<u><u>\$ 13,196,385</u></u>

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

Cash	\$ 9,018,445
Restricted Cash	<u>4,177,940</u>
Total cash and investments	<u><u>\$ 13,196,385</u></u>

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

B. Accounts Receivable/Due from Other Governments

Accounts receivable for the City, including the applicable allowance for uncollectible accounts at June 30, 2025, are as follows:

	<u>General</u>	<u>Capital</u>	<u>Sewer</u>	<u>Storm</u>	<u>Total</u>
User fee receivables	\$ 227,117	\$ -	\$ 136,503	\$ 37,174	\$ 400,794
Interfund receivable	-	-	-	-	-
Intergovernmental:					-
Property taxes	230,222	-	-	-	230,222
Transportation	27,788	-	-	-	27,788
Sales taxes	306,953	-	-	-	306,953
C road funds	98,711	-	-	-	98,711
Franchise tax	28,498	-	-	-	28,498
Telecommunication tax	5,890	-	-	-	5,890
Grant reimbursements	-	-	-	-	-
Total intergovernmental	<u>698,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>698,062</u>
Gross receivables	<u>925,179</u>	<u>-</u>	<u>136,503</u>	<u>37,174</u>	<u>1,098,856</u>
Less: Allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>(7,500)</u>	<u>-</u>	<u>(7,500)</u>
Net total receivables	<u>\$ 925,179</u>	<u>\$ -</u>	<u>\$ 129,003</u>	<u>\$ 37,174</u>	<u>\$1,091,356</u>
Accounts Receivable Due from Other Governments	\$ 228,672	\$ -	\$ 129,003	\$ 37,174	\$ 394,849
	<u>696,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>696,507</u>
	<u>\$ 925,179</u>	<u>\$ -</u>	<u>\$ 129,003</u>	<u>\$ 37,174</u>	<u>\$1,091,356</u>

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

C. Capital Assets

A summary of changes in capital assets follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 515,324	\$ -	\$ -	\$ 515,324
Construction in Progress	-	-	-	-
Total capital assets, not being depreciated	515,324	-	-	515,324
Capital assets, being depreciated				
Land Improvements	1,509,026	-	-	1,509,026
Buildings	3,110,608	-	-	3,110,608
Machinery and Equipment	1,809,308	521,326	(292,106)	2,038,528
Infrastructure	10,651,961	896,736	-	11,548,697
Total capital assets, being depreciated	17,080,903	1,418,062	(292,106)	18,206,859
Accumulated Depreciation for:				
Land Improvements	(687,565)	(66,118)	-	(753,683)
Buildings	(1,040,978)	(72,820)	-	(1,113,798)
Machinery and Equipment	(1,239,110)	(58,857)	-	(1,297,967)
Infrastructure	(5,332,492)	(302,751)	-	(5,635,243)
Total accumulated depreciation	(8,300,145)	(500,546)	-	(8,800,691)
Total capital assets, being depreciated, net	8,780,758	917,516	(292,106)	9,406,168
Governmental activities capital assets, net	<u>\$ 9,296,082</u>	<u>\$ 917,516</u>	<u>\$ (292,106)</u>	<u>\$ 9,921,492</u>

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

C. Capital Assets (continued)

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ -	\$ -	\$ -	\$ -
Construction In Progress	801,441	1,434,857		2,236,298
Total capital assets, not being depreciated	801,441	1,434,857	-	2,236,298
Capital assets, being depreciated				
Sewer System	9,453,163	430,241	-	9,883,404
Storm System	3,194,464	538,875	-	3,733,339
Machinery and Equipment	368,193	-	-	368,193
Total capital assets, being depreciated	13,015,820	969,116	-	13,984,936
Accumulated Depreciation for:				
Sewer System	(3,388,680)	(193,234)	-	(3,581,915)
Storm System	(1,086,963)	(120,163)	-	(1,207,127)
Machinery and Equipment	(256,828)	(22,795)	-	(279,623)
Total accumulated depreciation	(4,732,472)	(336,193)	-	(5,068,665)
Total capital assets, being depreciated, net	8,283,348	632,923	-	8,916,271
Business-type activities capital assets, net	<u>\$ 9,084,789</u>	<u>\$ 2,067,780</u>	<u>\$ -</u>	<u>\$11,152,570</u>

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

Governmental Activities:

General Government	\$ 48,776
Fire	16,738
Public Works	323,902
Parks	110,134
Recreation	997
Total Depreciation Expense	<u>\$ 500,547</u>

Business-type Activities:

Sewer Fund	\$ 216,030
Storm Drain Fund	120,163
Total Depreciation Expense	<u>\$ 336,193</u>

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

D. Long-Term Liabilities

Changes in long-term liabilities and compensated absences:

Governmental Activities:	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Compensated Absences	\$ 53,218	\$ 3,032	\$ -	\$ 56,250	\$ 56,250
Net Pension Liability	64,955	43,180	-	108,135	-
<i>Total Governmental Activities</i>	<u>\$ 118,173</u>	<u>\$ 46,212</u>	<u>\$ -</u>	<u>\$ 164,385</u>	<u>\$ 56,250</u>

Business-type Activities:	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
2005 Revenue Bonds	\$ 366,000	\$ -	\$ (191,000)	\$ 175,000	\$ 175,000
Landfill Closure Costs	47,382	1,383	-	48,765	-
Compensated Absences	-	45,476	-	45,476	-
Net Pension Liability	11,373	7,560	-	18,933	-
<i>Total Business-type Activities</i>	<u>\$ 424,755</u>	<u>\$ 54,419</u>	<u>\$ (191,000)</u>	<u>\$ 288,174</u>	<u>\$ 175,000</u>

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

D. Long-Term Liabilities

2005 Sewer Revenue Bonds. The City issued \$3,000,000 in bonds to fund sewer expansion in the City. The proceeds from the bonds have only been received as needed for expansion costs. Principal payments together with interest accruing on the unpaid principal balance at the rate of 3% and are to be made once a year on August 1, beginning August 1, 2006. The bonds will fully mature on August 1, 2025.

The annual requirements to amortize the 2005 Revenue Bonds are as follows:

Year Ended June 30,	2005 Sewer Revenue Bonds		
		3.00%	
	Principal	Interest	Total
2025	\$ 175,000	\$ 5,430	\$ 180,430
Totals	\$ 175,000	\$ 5,430	\$ 180,430

E. Landfill Closure and Post-Closure Care Costs

State and federal laws and regulations require the City to place a two-foot final cover on its landfill site with additional seed, mulch, and fertilizer. Although closure and post closure costs will be paid near the date that the landfill stops accepting waste, the City still reports these closure costs as an operating expense in the period based on the landfill capacity used. As of June 30, 2025 the estimated liability for landfill closure is \$48,765 which is based on the original projection and adjusted for inflation each year, as required by the original permit. The City is funding the estimated liability each year with a deposit to a separate bank account within the Landfill Fund. The total estimated cost is currently funded and will be adjusted each year for inflation.

**PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

G. Risk Management – Claims and Judgments

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters.

The City maintains commercial insurance for all major programs. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the prior year.

H. Pension Plan

General Information about the Pension Plan

Plan Description:

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

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

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

H. Pension Plan (continued)

Benefits Provided:

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

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

* with actuarial reductions

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

Contributions:

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

	Tier 1 - DB System			Tier 2 - DB Hybrid				Tier 2 - 401(k) Option			
	EE	ER	ER 401(k)	Tier 2 Fund	EE	ER	ER 401(k)	Tier 2 Fund	EE	ER	ER 401(k)
Noncontributory System											
15 Local Government	-	16.97	-	111	0.7	15.19	-	211	-	5.19	10

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

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

H. Pension Plan (Continued)

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	\$ 50,154	-
Tier 2 Public Employees System	35,057	1,616
Total Contributions	\$ 85,211	\$ 1,616

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

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

At June 30, 2025, we reported a net pension asset of \$0 and a net pension liability of \$127,068.

	<u>(Measurement Date): December 31, 2023</u>			Proportionate Share	Change
	Net Pension Asset	Net Pension Liability	Proportionate Share	December 31, 2022	(Decrease)
Noncontributory System	\$ -	\$ 100,655	0.0317412%	0.0281811%	0.0035601%
Tier 2 Public Employees System	-	26,413	0.0088563%	0.0056306%	0.0032257%
	<u>\$ -</u>	<u>\$ 127,068</u>			

The net pension asset and liability was measure 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 \$118,753.

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

H. Pension Plan (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 71,394	\$ 182
Changes in assumptions	17,148	3
Net difference between projected and actual earnings on pension plan investments	32,007	-
Changes in proportion and differences between contributions and proportionate share of contributions	3,970	2,759
Contributions subsequent to the measurement date	41,147	-
Total	<u>\$ 165,666</u>	<u>\$ 2,944</u>

\$41,147 was reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2025	\$ 59,090
2026	59,484
2027	(10,323)
2028	195
2029	5,874
Thereafter	\$ 7,255

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

H. Pension Plan (Continued)

Noncontributory System Pension Expense, and Deferred Outflows of Resources

For the year ended June 30, 2025, we recognized pension expense of \$89,971.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 59,976	\$ -
Changes in assumptions	8,326	-
Net difference between projected and actual earnings on pension plan investments	30,319	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	2,217
Contributions subsequent to the measurement date	24,655	-
Total	<u>\$ 123,276</u>	<u>\$ 2,217</u>

\$24,665 was reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2025	\$ 56,111
2026	54,842
2027	(12,302)
2028	(2,247)
2029	-
Thereafter	\$ -

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

H. Pension Plan (Continued)

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

For the year ended June 30, 2025, we recognized pension expense of \$28,782.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,418	\$ 182
Changes in assumptions	8,822	3
Net difference between projected and actual earnings on pension plan investments	1,688	-
Changes in proportion and differences between contributions and proportionate share of contributions	3,970	542
Contributions subsequent to the measurement date	16,492	-
Total	<u>\$ 42,390</u>	<u>\$ 727</u>

\$16,492 was reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2025	\$ 2,979
2026	4,642
2027	1,980
2028	2,441
2029	5,874
Thereafter	\$ 7,255

PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

H. Pension Plan (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 80% of the ultimate rates from the MP-2020 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2023, valuation were based on the results of an actuarial experience study for the 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		Long-term Expected Portfolio Real Rate of Return
	Target Asset Allocation	Real Return Arithmetic Basis	
Equity Securities	35%	7.01%	2.45%
Debt Securities	20%	2.54%	0.51%
Real Assets	18%	5.45%	0.98%
Private Equity	12%	10.05%	1.21%
Absolute Return	15%	4.36%	0.65%
Cash and Cash Equivalents	0%	0.49%	0.00%
Totals	100%		5.80%
	Inflation		2.50%
	Expected arithmetic nominal return		8.30%

The 6.85% 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.

**PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

H. Pension Plan (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 used 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	\$ 425,688	\$ 100,655	\$ (171,943)
Tier 2 Public Employees System	78,889	26,413	(14,408)
Total	\$ 504,577	\$ 127,068	\$ (186,351)

Pension Plan Fiduciary Net Position:

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

**PLAIN CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

H. Pension Plan (Continued)

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.

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

*401(k) Plan

*457(b) Plan

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

	2025	2024	2023
401(k) Plan			
Employer Contributions	\$ 3,049	\$ 2,851	\$ 1,489
Employee Contributions	\$ 7,315	\$ 7,677	\$ 6,695
457 Plan			
Employer Contributions	\$ 3,877	\$ 4,885	\$ 4,685
Employee Contributions	\$ 11,925	\$ 10,730	\$ 10,112

**REQUIRED
SUPPLEMENTARY
INFORMATION**

PLAIN CITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Taxes:				
Current Year Property Taxes	\$ 212,000	\$ 212,000	\$ 217,537	\$ 5,537
Redemptions	2,500	2,500	3,474	974
Registered Vehicles	20,000	20,000	19,825	(175)
Sales and Use Taxes	1,550,000	1,550,000	1,694,018	144,018
RAMP Taxes	7,850	7,850	11,833	3,983
Franchise Taxes	380,000	435,000	471,488	36,488
Telecommunication Tax	22,000	22,000	20,743	(1,257)
Cell Tower Revenue	65,000	65,000	32,000	(33,000)
	<u>2,259,350</u>	<u>2,314,350</u>	<u>2,470,918</u>	<u>189,568</u>
Licenses and Permits:				
Business Licenses	8,000	8,000	8,205	205
Building Permits	350,000	620,000	602,830	(17,170)
	<u>358,000</u>	<u>628,000</u>	<u>611,035</u>	<u>(16,965)</u>
Intergovernmental:				
Class "C" Road Fund Allotment	425,000	450,000	507,134	57,134
State Grant	-	52,500	52,500	-
Contributions From Governments	145,000	145,000	150,125	5,125
Ogden City Ambulance Reimbursement	30,000	30,000	-	(30,000)
Federal Grants	-	-	246,834	246,834
	<u>600,000</u>	<u>677,500</u>	<u>956,593</u>	<u>279,093</u>
Charges for Services:				
Landfill Fees	1,002,000	1,020,000	1,080,080	60,080
Engineering Reimbursements	30,000	30,000	29,600	(400)
Cemetery Burial Fees	8,000	8,000	1,950	(6,050)
Park Fees	1,500	1,500	2,900	1,400
Recreation Fees	138,800	138,800	148,765	9,965
	<u>1,180,300</u>	<u>1,198,300</u>	<u>1,263,295</u>	<u>64,995</u>
Fines and Forfeitures	<u>32,000</u>	<u>32,000</u>	<u>25,682</u>	<u>(6,318)</u>
Impact Fees				
Park Impact Fees	150,000	180,000	170,908	(9,092)
Transportation Impact Fees	45,000	60,000	58,823	(1,177)
Public Safety Impact Fees	7,500	8,700	8,055	(645)
	<u>202,500</u>	<u>248,700</u>	<u>237,786</u>	<u>(10,914)</u>
Other Revenues:				
Interest Earnings	150,000	220,000	100,710	(119,290)
4th of July	29,000	25,000	30,680	5,680
Sundry Revenues	20,000	41,700	17,914	(23,786)
Donations	-	-	-	-
Credit Card Fees	1,600	1,600	1,344	(256)
Rental Revenue	6,000	6,000	7,145	1,145
Filing Fees	10,000	10,000	13,825	3,825
	<u>216,600</u>	<u>304,300</u>	<u>171,618</u>	<u>(132,682)</u>
Total Revenues	<u>\$ 4,848,750</u>	<u>\$ 5,403,150</u>	<u>\$ 5,736,927</u>	<u>333,777</u>

(continued)

PLAIN CITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Expenditures:				
General Government:				
Legislative	\$ 263,800	\$ 360,300	\$ 228,584	\$ 131,716
Judicial	40,025	52,400	45,042	7,358
Administrative	250,129	267,493	226,190	41,303
Non-departmental	180,800	190,400	179,548	10,852
Buildings	139,970	170,715	169,493	1,222
Planning and Zoning	15,000	46,000	13,229	32,771
	<u>889,724</u>	<u>1,087,308</u>	<u>862,086</u>	<u>225,222</u>
Public Safety:				
Police Department	828,569	866,520	838,395	28,125
Emergency Management	-	-	-	-
Fire Department	381,137	480,749	455,135	25,614
	<u>1,209,706</u>	<u>1,347,269</u>	<u>1,293,530</u>	<u>53,739</u>
Public Works				
Streets	747,054	1,023,050	1,144,684	(121,634)
Sanitation	767,931	908,463	861,904	46,559
	<u>1,514,985</u>	<u>1,931,513</u>	<u>2,006,588</u>	<u>(75,075)</u>
Parks	<u>234,963</u>	<u>237,359</u>	<u>203,642</u>	<u>33,717</u>
Recreation	<u>259,474</u>	<u>310,135</u>	<u>277,413</u>	<u>32,722</u>
Total Expenditures	<u>4,108,852</u>	<u>4,913,584</u>	<u>4,643,259</u>	<u>270,325</u>
Other financing sources (uses):				
Use of unappropriated surplus	(622,649)	227,081		(227,081)
Operating transfers in (out)	(117,249)	(716,647)	(716,647)	-
Total other financing sources (uses)	<u>(739,898)</u>	<u>(489,566)</u>	<u>(716,647)</u>	<u>(227,081)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>377,021</u>	<u>377,021</u>
Fund Balance - July 1	<u>3,571,444</u>	<u>3,571,444</u>	<u>3,936,332</u>	<u>364,888</u>
Fund Balance - June 30	<u>\$ 3,571,444</u>	<u>\$ 3,571,444</u>	<u>\$ 4,313,353</u>	<u>\$ 741,909</u>

PLAIN 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*

		Noncontributory Retirement System	Tier 2 Public Employees Retirement System
Proportion of the net pension liability (asset)	2025	0.0317412%	0.0088563%
	2024	0.0281811%	0.0056306%
	2023	0.0271479%	0.0057179%
	2022	0.0291588%	0.0069581%
	2021	0.0298601%	0.0073927%
	2020	0.0334927%	0.0048491%
	2019	0.0348254%	0.0073559%
	2018	0.0324933%	0.0051653%
	2017	0.0271826%	0.0065232%
	2016	0.0303823%	0.0033613%
Proportion share of the net pension liability (asset)	2025 \$	100,655	\$ 26,413
	2024 \$	65,368	\$ 10,959
	2023 \$	46,498	\$ 6,226
	2022 \$	(166,996)	\$ (2,945)
	2021 \$	15,317	\$ 1,063
	2020 \$	126,230	\$ 1,091
	2019 \$	256,445	\$ 3,150
	2018 \$	142,363	\$ 455
	2017 \$	174,546	\$ 728
	2016 \$	171,918	\$ (7)
Covered employee payroll	2025 \$	334,168	\$ 262,624
	2024 \$	294,416	\$ 145,570
	2023 \$	296,567	\$ 125,115
	2022 \$	273,829	\$ 129,324
	2021 \$	257,717	\$ 118,029
	2020 \$	303,698	\$ 67,460
	2019 \$	294,127	\$ 85,430
	2018 \$	270,461	\$ 50,586
	2017 \$	227,064	\$ 53,496
	2016 \$	262,847	\$ 21,740

See accompanying notes to required supplementary information

PLAIN 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*

		Noncontributory Retirement System	Tier 2 Public Employees Retirement System
Proportionate share of the net pension liability (asset)			
as a percentage of its covered-employee payroll	2025	30.12%	10.06%
	2024	22.20%	7.53%
	2023	15.68%	4.98%
	2022	-60.99%	-2.28%
	2021	5.94%	0.90%
	2020	41.56%	1.62%
	2019	87.19%	3.69%
	2018	52.64%	0.90%
	2017	76.87%	1.36%
	2016	65.41%	-0.03%
Plan fiduciary net position as a percentage			
of its covered-employee payroll	2025	96.02%	87.44%
	2024	96.90%	89.58%
	2023	97.5%	92.3%
	2022	108.7%	103.8%
	2021	99.2%	98.3%
	2020	93.7%	96.5%
	2019	87.0%	90.8%
	2018	87.0%	90.8%
	2017	87.3%	95.1%
	2016	87.8%	100.2%

* 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.

See accompanying notes to required supplementary information

PLAIN 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	42,722	42,722	-	231,354	18.47%
	2017	44,753	44,753	-	242,303	18.47%
	2018	57,135	57,135	-	309,338	18.47%
	2019	52,007	52,007	-	281,575	18.47%
	2020	51,800	51,800	-	283,170	18.29%
	2021	48,569	48,569	-	266,325	18.24%
	2022	44,014	44,014	-	281,645	15.63%
	2023	46,613	46,613	-	291,519	15.99%
	2024	51,141	51,141	-	312,434	16.37%
	2025	50,154	50,154	-	344,664	14.55%
Tier 2 Public Employees System**	2016	7,089	7,089	-	47,549	14.91%
	2017	7,754	7,754	-	52,003	14.91%
	2018	8,655	8,655	-	56,836	15.23%
	2019	14,282	14,282	-	92,901	15.37%
	2020	12,008	12,008	-	76,679	15.66%
	2021	21,919	21,919	-	138,727	15.80%
	2022	20,850	20,850	-	129,742	16.07%
	2023	18,832	18,832	-	117,606	16.01%
	2024	36,154	36,154	-	225,824	16.01%
	2025	35,057	35,057	-	242,180	14.48%

See accompanying notes to required supplementary information

PLAIN 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
Tier 2 Public Employees DC Only System**	2016	-	-	-	-	0.00%
	2017	1,928	1,928	-	28,816	6.69%
	2018	2,254	2,254	-	33,689	6.69%
	2019	-	-	-	-	0.00%
	2020	-	-	-	-	0.00%
	2021	-	-	-	-	0.00%
	2022	-	-	-	-	0.00%
	2023	-	-	-	-	0.00%
	2024	-	-	-	-	0.00%
	2025	-	-	-	-	0.00%

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

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

See accompanying notes to required supplementary information

PLAIN CITY
NOTES TO THE 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

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*

The Honorable Mayor and Members
of the City Council
Plain City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Plain City, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Plain City's basic financial statements, and have issued our report thereon dated December 23, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Plain 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 Plain City's internal control. Accordingly, we do not express an opinion on the effectiveness of Plain 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 Plain City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Wright & Associates, P.C.

Ogden, Utah

December 23, 2025

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

The Honorable Mayor and Members
of the City Council
Plain City, Utah

Report On Compliance

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

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

Budgetary Compliance
Fund Balance
Justice Court
Restricted Taxes
Fraud Risk Assessment
Governmental Fees
Utah Retirement Systems
Crime Insurance for Public Treasurers

Opinion on Compliance

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

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report On Internal Control over Compliance

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

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

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

Wink & Associates, P.C.

Ogden, Utah
December 23, 2025

PLAIN CITY
SCHEDULE OF FINDINGS

State Legal Compliance
For the year ended June 30, 2025

CURRENT YEAR FINDINGS

Statement of Condition - 2025-1

Budgetary Compliance: The Public Works department of the General Fund exceeded budgeted expenditures at year end.

Criteria

State Law requires that officers or employees of the entity do not incur expenditures in excess of the total appropriations for any fund per Utah Code 10-6-123.

Cause

At year-end, allocations of engineering services were allocated to road projects in the Public Works department and away from the Legislative department. This created a budget overage in the Public Works department of \$121,634. The fund overall was \$270,325 below budget.

Effect

The City is not in compliance with budget requirements.

Recommendation

We recommend that the City review procedures to ensure that the City does not exceed budgeted amounts by department or fund.

Response

The City will consider allocations of these engineering costs before making any amendments between the departments, as a part of the process near any year-end amendments.