

ENOCH CITY
FINANCIAL STATEMENTS
JUNE 30, 2025

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Kimball & Roberts

A Professional Corporation
Certified Public Accountants
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Richfield, Utah 84701

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
Enoch City
Enoch, Utah 84721

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 Enoch City, a governmental unit, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Enoch 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raised substantial doubt about Enoch City's ability to continue as a going concern for one year after the date of the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Enoch 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 Enoch 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 Utah Retirement Systems pension liability and contribution information 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 State 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 statement, 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 August 11, 2025, on our consideration of Enoch City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Enoch City's internal control over financial reporting and compliance.

Kimball & Roberts, PC

Certified Public Accountants

August 11, 2025
Richfield, Utah

ENOCH CITY MANAGEMENT'S DISCUSSION AND ANALYSIS For The Year Ended June 30, 2025

This discussion of Enoch City's financial performance provides an overview of the City's financial activities for the year ending June 30, 2025. This report is in conjunction with the City's financial statements.

The purpose of the City is to provide general services to its residents which includes general government, public safety, highways and public improvements, and parks and recreation.

Financial Highlights

- The assets of Enoch City exceeded its liabilities as of the close of the most recent year by \$30,702,831 (net position). Of this amount, \$5,187,761 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$1,879,129. The revenues were less than the adopted budgeted amounts, and expenditures were less than the adopted budgeted amounts in the General Fund.
- At the close of the current year, the City's governmental funds reported combined ending fund balances of \$6,157,359, an increase of \$547,273 in comparison with the prior year. Approximately 51 percent of this total amount, \$3,164,967 is available for spending at the government's discretion (assigned and unassigned fund balance).
- At the end of the current year, unassigned fund balance for the General Fund was \$2,140,293 or 36 percent of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Enoch City's basic financial statements. Enoch City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Enoch City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Enoch City include general government, public safety, highways and public improvements, and parks and recreation. The business-type activities of Enoch City are water, sewer, drainage, and sanitation operations.

Refer to the table of contents for the location of the government-wide financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Enoch City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Enoch City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

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

Enoch City maintains two individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Capital Projects Fund, both of which are considered to be major funds.

The City adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the General Fund and major special revenue funds to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

Proprietary Funds

Enoch City maintains four types of proprietary funds. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, drainage and sanitation funds which are all considered to be a major funds of the City.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

Notes To The Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other Information

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The case of Enoch City, assets exceeded liabilities by \$30,702,831 at the close of the most recent fiscal year. By far the largest portion of the City's net position (67 percent) reflects its investment in capital position (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Enoch City's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current Assets	\$ 7,230,767	\$ 6,857,170	\$ 4,149,121	\$ 3,243,399	\$ 11,379,888	\$ 10,100,569
Capital and Other Assets	5,944,026	3,826,925	18,258,330	1,814,645	24,202,356	5,641,570
Total Assets	13,174,793	10,684,095	22,407,451	5,058,044	35,582,244	15,742,139
Deferred Outflows Of Resources	385,429	380,313	216,804	213,927	602,233	594,240
Long-Term Liabilities	2,813,478	416,569	1,179,260	1,274,966	3,992,738	1,691,535
Other Liabilities	485,812	688,028	360,857	715,867	846,669	1,403,895
Total Liabilities	3,299,290	1,104,597	1,540,117	1,990,833	4,839,407	3,095,430
Deferred Inflows Of Resources	638,701	613,550	3,538	3,697	642,239	617,247
Net Position:						
Net Investment in Capital						
Assets	3,546,136	3,734,000	17,210,330	16,826,279	20,756,466	20,560,279
Restricted	2,992,392	2,816,861	1,766,212	902,674	4,758,604	3,719,535
Unrestricted	3,083,703	2,795,400	2,104,058	1,748,488	5,187,761	4,543,888
Total Net Position	\$ 9,622,231	\$ 9,346,261	\$ 21,080,600	\$ 19,477,441	\$ 30,702,831	\$ 28,823,702

A portion of the City's net position (16 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$5,187,761 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Governmental Activities

Governmental activities increased Enoch City's net position by \$275,970.

Enoch City's Changes in Net position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,827,825	\$ 1,830,252	\$ 3,124,967	\$ 2,654,275	\$ 4,952,792	\$ 4,484,527
Operating Grants	988,401	856,251	-	-	988,401	856,251
Capital Grants	-	-	282,740	275,437	282,740	275,437
General Revenues:						
Property Taxes	737,252	651,642	-	-	737,252	651,642
Other Taxes	1,698,180	1,734,766	-	-	1,698,180	1,734,766
Impact Fees	563,808	377,198	949,281	662,608	1,513,089	1,039,806
Contributions	-	178,525	255,780	-	255,780	178,525
Loss on Capital Assets	(35,669)	-	-	-	(35,669)	-
Unrestricted Investment Earnings	321,911	329,595	123,448	146,382	445,359	475,977
Total Revenues	6,101,708	5,958,229	4,736,216	3,738,702	10,837,924	9,696,931
Expenses:						
General Government	1,701,127	1,730,930	-	-	1,701,127	1,730,930
Public Safety	2,179,492	1,998,945	-	-	2,179,492	1,998,945
Highways and Public Improvements	1,550,886	918,927	-	-	1,550,886	918,927
Parks and Recreation	394,233	90,021	-	-	394,233	90,021
Interest Expense	-	-	19,374	24,056	19,374	24,056
Water, Sewer, Drainage and Sanitation	-	-	3,113,683	2,944,906	3,113,683	2,944,906
Total Expenses	5,825,738	4,738,823	3,133,057	2,968,962	8,958,795	7,707,785
Increase in Net Position	275,970	1,219,406	1,603,159	769,740	1,879,129	1,989,146
Transfers In (Out)	-	-	-	-	-	-
Net Position-Beg-Restated	9,346,261	8,126,855	19,477,441	18,707,701	28,823,702	26,834,556
Net Position-Ending	\$ 9,622,231	\$ 9,346,261	\$ 21,080,600	\$ 19,477,441	\$ 30,702,831	\$ 28,823,702

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. Two noteworthy exceptions, however, were the City's purchase of capital assets in governmental and business type funds as follows:

	<u>Governmental</u>	<u>Business-Type</u>
1) Equipment & Vehicles	\$ 259,854	\$ 239,908
2) Utility Systems	-	302,535
3) Work In Progress	1,984,578	411,334
4) Infrastructure	<u>312,887</u>	<u>-</u>
Total Additions	<u>\$2,557,319</u>	<u>\$ 953,777</u>

Business-Type Activities

Business-type activities increased the City's net position by \$1,603,159 accounting for 84 percent of the total increase in the government's net position. Key elements of this increase are as follows:

* Impact fees collected during the year were \$949,281.

Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. *In particular unassigned* fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, the City's governmental funds reported combined ending fund balances of \$6,157,359, an increase of \$547,273 in comparison with the prior year. Approximately 51 percent of this amount, \$3,164,967 constitutes *assigned and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balances are *restricted* to indicate that they are not available for new spending because they have already been restricted for highways and public improvements, \$1,946,828; impact fees, \$974,945, and animal shelter \$70,619. Fund balances have also been assigned to cemetery \$169,804; and capital projects, \$854,870.

The General Fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the General Fund was \$2,140,293 while total fund balance reached \$5,302,489. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 40 percent of total General Fund expenditures, while total fund balance represents 89 percent of that same amount.

Proprietary Funds

Enoch City's proprietary funds provides the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of the water, sewer, drainage, and sanitation funds at the end of the year was \$2,104,058. Other factors concerning the finances of these funds has already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The increase between the original and final budgets was \$1,762,262.

During the year, actual revenues were less than budgeted revenues by \$178,056 and actual expenditures were less than budgeted expenditures by \$456,230. This resulted in a net increase in fund balance of \$278,174.

Capital Asset and Debt Administration:

Capital Assets

Enoch City's investment in capital assets for all of its activities as of June 30, 2025, was \$24,202,354 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, improvements other than buildings, equipment and infrastructure, which includes roads and paved trails and utility systems.

Enoch City's Capital Assets

(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 1,438,905	\$ 1,438,905	\$ 314,127	\$ 314,127	\$ 1,753,032	\$ 1,753,032
Construction In Progress	2,056,808	72,230	195,431	1,754,585	2,252,239	1,826,815
Water Shares	-	-	3,860,689	3,860,689	3,860,689	3,860,689
Infrastructure	957,279	774,329	-	-	957,279	774,329
Buildings	356,396	383,264	579,806	604,286	936,202	987,550
Utility Systems	-	-	12,472,248	10,720,063	12,472,249	10,720,063
Vehicles & Equipment	1,000,548	1,092,347	836,027	760,895	1,836,576	1,853,242
Right-Of-Use Assets	134,090	65,850	-	-	134,090	65,850
Total	\$ 5,944,026	\$ 3,826,925	\$ 18,258,328	\$ 18,014,645	\$ 24,202,356	\$ 21,841,570

Additional information on the City's capital assets can be found in the notes to the financial statements.

Long-Term Debt - Bond Obligations

At the end of the current year, the City had total bonded debt outstanding of \$3,268,000. Contracts payable of \$45,000 and Lease Liabilities of \$132,890. The debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds), and general obligation bonds. Contracts represent debt for real estate purchase. On January 8, 2025 the City issued \$2,220,000,000 of Sales Tax Revenue Bonds, with an interest rate of 2.5% to be used for the construction of a public safety facility with related improvements.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Other Long-Term Debt	\$ 45,000	\$ 60,000	\$ -	\$ -	\$ 45,000	\$ 60,000
Lease Liabilities	132,890	32,925	-	-	132,890	32,925
Revenue Bonds	2,220,000	-	1,048,000	1,188,366	3,268,000	1,188,366
Total Long-Term Debt	\$ 2,397,890	\$ 92,925	\$ 1,048,000	\$ 1,188,366	\$ 3,445,890	\$ 1,281,291

State statutes limit the amount of general obligation debt a governmental entity may issue to 4 percent of its total fair market value of taxable property in the City. The total allowable general obligation debt at June 30, 2025 is approximately \$23,600,000. The present general obligation revenue debt is \$163,000.

Additional information on the City's long-term debt can be found in the notes of the financial statements.

Economic Factors and Next Year's Budgets and Rates

- * The utility rates remained the same as the prior year, except for the water fund. The excess usage charge was increased and minimum usage gallons allowed on the base rate was decreased.

This factor was considered in preparing the City's budget for the 2025-2026 fiscal year.

Request for Information

This financial report is designed to provide a general overview of Enoch City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Enoch City Treasurer, 900 East Midvalley Road, Enoch, Utah, 84721.

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is used to assist in formatting for easier reading)

BASIC FINANCIAL STATEMENTS

ENOCH CITY
STATEMENT OF NET POSITION
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 3,491,257	\$ 2,138,818	\$ 5,630,075
Restricted Cash and Investments	2,992,392	1,766,212	4,758,604
Accounts Receivable	19,421	244,091	263,512
Property Taxes Receivable	642,697	-	642,697
Due From Other Government Units	85,000	-	85,000
Total Current Assets	<u>7,230,767</u>	<u>4,149,121</u>	<u>11,379,888</u>
Noncurrent Assets:			
Capital Assets:			
Land, Related Infrastructure and Construction In Progress	3,495,713	4,370,247	7,865,960
Other Capital Assets - Net of Accumulated Depreciation	2,314,223	13,888,083	16,202,306
Total Capital Assets	<u>5,809,936</u>	<u>18,258,330</u>	<u>24,068,266</u>
Right-Of-Use Assets	160,694	-	160,694
Less: Accumulated Amortization: Right-Of-Use Assets	(26,604)	-	(26,604)
Right-Of-Use Assets (Net)	<u>134,090</u>	<u>-</u>	<u>134,090</u>
Total Noncurrent Assets	<u>5,944,026</u>	<u>18,258,330</u>	<u>24,202,356</u>
TOTAL ASSETS	<u>13,174,793</u>	<u>22,407,451</u>	<u>35,582,244</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pensions	385,429	216,804	602,233
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 13,560,222</u>	<u>\$ 22,624,255</u>	<u>\$ 36,184,477</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 440,985	\$ 235,352	\$ 676,337
Accrued Liabilities	7	-	7
Bond Interest Payable	-	8,505	8,505
Lease Liability - Due Within One Year	29,820	-	29,820
Contract Payable - Due Within One Year	15,000	-	15,000
Bonds Payable - Due Within One Year	-	117,000	117,000
Total Current Liabilities	<u>485,812</u>	<u>360,857</u>	<u>846,669</u>
Noncurrent Liabilities:			
Contract Payable - Due More Than One Year	30,000	-	30,000
Lease Liability - Due More Than One Year	103,070	-	103,070
Bonds Payable - Due More Than One Year	2,220,000	931,000	3,151,000
Net Pension Liability	368,453	207,255	575,708
Compensated Absences	91,955	41,005	132,960
Total Noncurrent Liabilities	<u>2,813,478</u>	<u>1,179,260</u>	<u>3,992,738</u>
TOTAL LIABILITIES	<u>3,299,290</u>	<u>1,540,117</u>	<u>4,839,407</u>
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions	6,285	3,538	9,823
Unavailable Revenue - Property Taxes	632,416	-	632,416
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>638,701</u>	<u>3,538</u>	<u>642,239</u>
NET POSITION			
Net Investment in Capital Assets	3,546,136	17,210,330	20,756,466
Restricted For:			
Bond Retirement	-	151,554	151,554
Class C Road	1,946,828	-	1,946,828
Impact Fees	974,945	1,614,658	2,589,603
Animal Shelter	70,619	-	70,619
Unrestricted	<u>3,083,703</u>	<u>2,104,058</u>	<u>5,187,761</u>
TOTAL NET POSITION	<u>9,622,231</u>	<u>21,080,600</u>	<u>30,702,831</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 13,560,222</u>	<u>\$ 22,624,255</u>	<u>\$ 36,184,477</u>

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

ENOCH CITY
STATEMENT OF ACTIVITIES
For The Fiscal Year Ended June 30, 2025

		Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Charges for	Operating Grants/	Capital Grants/	Governmental	Business-Type	
		Services	Contributions	Contributions	Activities	Activities	Total
		Expenses					
Function/Programs Primary Government:							
Governmental Activities:							
General Government	\$1,701,127	\$1,732,593	\$ -	\$ -	\$ 31,466	\$ -	\$ 31,466
Public Safety	2,179,492	58,219	16,172	-	(2,105,101)	-	(2,105,101)
Highways and Public Improvements	1,550,886	845	963,459	-	(586,582)	-	(586,582)
Parks and Recreation	394,233	36,168	8,770	-	(349,295)	-	(349,295)
Total Governmental Activities	5,825,738	1,827,825	988,401	-	(3,009,512)	-	(3,009,512)
Business-Type Activities:							
Water Fund	1,382,150	1,498,890	-	-	-	116,740	116,740
Sewer Fund	864,888	750,303	-	-	-	(114,585)	(114,585)
Drainage Fund	120,494	241,614	-	282,740	-	403,860	403,860
Sanitation Fund	765,525	634,160	-	-	-	(131,365)	(131,365)
Total Business-Type Activities	3,133,057	3,124,967	-	282,740	-	274,650	274,650
Total Primary Government	\$8,958,795	\$4,952,792	\$ 988,401	\$ 282,740	\$(3,009,512)	\$ 274,650	\$ (2,734,862)
General Revenues:							
Property Taxes					667,841	-	667,841
Fee-In-Lieu of Property Taxes					69,411	-	69,411
Sales Taxes					1,370,445	-	1,370,445
Franchise Taxes					195,004	-	195,004
Telecommunications Tax					132,731	-	132,731
Impact Fees					563,808	949,281	1,513,089
Contributions					-	255,780	255,780
Loss on Disposition of Capital Assets					(35,669)	-	(35,669)
Unrestricted Investment Earnings					321,911	123,448	445,359
Total General Revenues					3,285,482	1,328,509	4,613,991
Change in Net Position					275,970	1,603,159	1,879,129
Net Position - Beginning - Restated					9,346,261	19,477,441	28,823,702
Net Position - Ending					\$ 9,622,231	\$21,080,600	\$30,702,831

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

**ENOCH CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025**

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 2,196,633	\$ 1,294,624	\$ 3,491,257
Cash and Investments - Restricted	2,992,392	-	2,992,392
Accounts Receivable (Net)	19,421	-	19,421
Property Taxes Receivable	642,697	-	642,697
Due From Other Government Units	85,000	-	85,000
TOTAL ASSETS	<u><u>\$ 5,936,143</u></u>	<u><u>\$ 1,294,624</u></u>	<u><u>\$ 7,230,767</u></u>
LIABILITIES			
Liabilities:			
Accounts Payable	\$ 1,231	\$ 439,754	\$ 440,985
Accrued Liabilities	7	-	7
Total Liabilities	<u><u>1,238</u></u>	<u><u>439,754</u></u>	<u><u>440,992</u></u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	<u><u>632,416</u></u>	<u><u>-</u></u>	<u><u>632,416</u></u>
FUND BALANCE			
Restricted For:			
Class C Roads	1,946,828	-	1,946,828
Impact Fees	974,945	-	974,945
Animal Shelter	70,619	-	70,619
Assigned For:			
Cemetery	169,804	-	169,804
Capital Projects	-	854,870	854,870
Unassigned:			
General Fund	<u><u>2,140,293</u></u>	<u><u>-</u></u>	<u><u>2,140,293</u></u>
TOTAL FUND BALANCE	<u><u>5,302,489</u></u>	<u><u>854,870</u></u>	<u><u>6,157,359</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u><u>\$ 5,936,143</u></u>	<u><u>\$ 1,294,624</u></u>	<u><u>\$ 7,230,767</u></u>

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

ENOCH CITY
GOVERNMENTAL BALANCE SHEET RECONCILIATION TO STATEMENT OF NET POSITION
June 30, 2025

Total Fund Balances - Governmental Fund Types	\$6,157,359
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	\$ 1,438,905	
Buildings	356,396	
Equipment and Vehicles	1,000,548	
Infrastructure	957,279	
Construction In Progress	2,056,808	
Right-Of-Use Assets	<u>134,090</u>	
 Total		 5,944,026

To recognize resources associated with pension assets and deferred outflows of pension resources:

Deferred Outflows of Resources Related to Pensions	385,429
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To recognize obligations associated with pension liabilities which are not current obligations and not recorded in the fund statements:

Net Pension Liability	\$ (368,453)	
Deferred Inflows of Resources Related to Pensions	<u>(6,285)</u>	
 Total Pension Liability and Deferred Inflows of Resources		 (374,738)

Long-term liabilities, including bonds payable and deferred inflows of resources, are not due and payable in the current period and therefore are not reported in the fund statements:

Lease Liability	\$ (132,890)	
Contract Payable	(45,000)	
Revenue Bonds Payable	(2,220,000)	
Compensated Absences	<u>(91,955)</u>	
 Total		 <u>(2,489,845)</u>

Net Position of Government Activities	<u><u>\$9,622,231</u></u>
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The notes to the financial statements are an integral part of this statement.

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

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues:			
Taxes	\$2,435,431	\$ -	\$ 2,435,431
Licenses and Permits	1,053,228	-	1,053,228
Intergovernmental Revenue	988,400	-	988,400
Charges for Services	1,265,997	-	1,265,997
Fines and Forfeitures	9,267	-	9,267
Interest	288,234	33,676	321,910
Lease Proceeds	18,617	-	18,617
Sale of Capital Assets	148,508	-	148,508
Miscellaneous Revenues	<u>44,524</u>	<u>2,220,000</u>	<u>2,264,524</u>
 Total Revenues	 <u>6,252,206</u>	 <u>2,253,676</u>	 <u>8,505,882</u>
Expenditures:			
Current:			
General Government	1,620,079	-	1,620,079
Public Safety	2,318,663	-	2,318,663
Highways and Public Improvements	1,664,435	-	1,664,435
Parks and Recreation	370,855	-	370,855
Capital Outlay	<u>-</u>	<u>1,984,577</u>	<u>1,984,577</u>
 Total Expenditures	 <u>5,974,032</u>	 <u>1,984,577</u>	 <u>7,958,609</u>
 Net Change in Fund Balance	 278,174	 269,099	 547,273
 Fund Balance - Beginning	 <u>5,024,315</u>	 <u>585,771</u>	 <u>5,610,086</u>
 Fund Balance - Ending	 <u><u>\$5,302,489</u></u>	 <u><u>\$ 854,870</u></u>	 <u><u>\$ 6,157,359</u></u>

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

ENOCH CITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Fiscal Year Ended June 30, 2025

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 547,273
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The Statement of Activities shows pension benefits and pension expenses from the adoption of GASB 68 that are not shown on the fund statements.	(63,944)
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Governmental funds report capital outlays as expenditures. However, in
the Statement of Activities the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense. This is the
amount by which capital outlays exceeded depreciation in the current
period. Also, dispositions of capital assets are shown in the Statement of
Activities and not in the governmental funds.

Capital Outlay	\$ 2,618,012	
Loss On Disposition of Capital Assets	(74,658)	
Depreciation Expense	(408,458)	
Amortization Expense	<u>(56,785)</u>	
 Total		 2,078,111

The issue of revenue bonds and lease liabilities increases fund balance
does not increase the net position of the City:

Capital Outlay		
Revenue Bonds	\$(2,220,000)	
Lease Liabilities	<u>(160,694)</u>	
 Total		 (2,380,694)

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 governmental funds:

Principal Payment on Long-Term Debt	\$ 15,000	
Lease Liability Principal Paid	60,729	
Change In Compensated Absences	<u>19,495</u>	
 Total		 <u>95,224</u>

Changes In Net Position of Governmental Activities	<u>\$ 275,970</u>
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The notes to the financial statements are an integral part of this statement.

ENOCH CITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

	Business-Type Activity Enterprise Funds				
	Water Fund	Sewer Fund	Drainage Fund	Sanitation Fund	Totals
ASSETS:					
Current Assets:					
Cash and Investments	\$ 326,587	\$ 969,165	\$ 274,377	\$ 565,689	\$ 2,135,818
Cash and Investments-Restricted	663,450	713,220	392,542	-	1,769,212
Accounts Receivable	113,079	60,003	26,589	44,420	244,091
Total Current Assets	1,103,116	1,742,388	693,508	610,109	4,149,121
Noncurrent Assets:					
Capital Assets:					
Land, Water Rights and Constr. In Progress	3,965,816	183,950	220,481	-	4,370,247
Other Assets - Net of Accum. Depreciation	8,450,244	2,818,845	2,054,156	564,838	13,888,083
Total Noncurrent Assets	12,416,060	3,002,795	2,274,637	564,838	18,258,330
TOTAL ASSETS	13,519,176	4,745,183	2,968,145	1,174,947	22,407,451
DEFERRED OUTFLOWS OF RESOURCES:					
Related to Pensions	59,432	84,115	-	73,257	216,804
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 13,578,608	\$ 4,829,298	\$ 2,968,145	\$ 1,248,204	\$ 22,624,255
LIABILITIES:					
Current Liabilities:					
Deposits Payable	\$ 235,352	\$ -	\$ -	\$ -	\$ 235,352
Bond Interest Payable	7,049	1,456	-	-	8,505
Bonds Payable - Due Within One Year	101,000	16,000	-	-	117,000
Total Current Liabilities	343,401	17,456	-	-	360,857
Noncurrent Liabilities:					
Bonds Payable - Due More Than One Year	784,000	147,000	-	-	931,000
Compensated Absences	10,552	13,242	103	17,108	41,005
Net Pension Liability	46,842	77,916	-	82,497	207,255
Total Noncurrent Liabilities	841,394	238,158	103	99,605	1,179,260
TOTAL LIABILITIES	1,184,795	255,614	103	99,605	1,540,117
DEFERRED INFLOWS OF RESOURCES:					
Related to Pensions	1,027	1,386	-	1,125	3,538
NET POSITION:					
Net Investment in Capital Assets	11,531,060	2,839,795	2,274,637	564,838	17,210,330
Restricted for:					
Bond Retirement	154,554	-	-	-	154,554
Impact Fees	508,896	713,220	392,542	-	1,614,658
Unrestricted	198,276	1,019,283	300,863	582,636	2,101,058
TOTAL NET POSITION	12,392,786	4,572,298	2,968,042	1,147,474	21,080,600
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 13,578,608	\$ 4,829,298	\$ 2,968,145	\$ 1,248,204	\$ 22,624,255

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

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

	Business-Type Activity Enterprise Funds				
	Water Fund	Sewer Fund	Drainage Fund	Sanitation Fund	Totals
Operating Revenues:					
Charges for Sales and Services:					
Water Sales	\$ 1,319,577	\$ -	\$ -	\$ -	\$ 1,319,577
Sewer Sales	-	748,353	-	-	748,353
Drainage Fees	-	-	241,614	-	241,614
Sanitation Collection Fees	-	-	-	607,976	607,976
Connection Fees	125,777	1,950	-	-	127,727
Penalties	45,906	-	-	-	45,906
Other Income	7,630	-	-	26,184	33,814
Total Operating Revenues	1,498,890	750,303	241,614	634,160	3,124,967
Operating Expenses:					
Salaries, Wages and Benefits	283,074	320,448	1,150	404,187	1,008,859
Materials, Supplies and Services	769,118	330,609	30,276	228,757	1,358,760
Depreciation	316,092	196,711	89,068	108,223	710,094
Total Operating Expenses	1,368,284	847,768	120,494	741,167	3,077,713
Operating Income	130,606	(97,465)	121,120	(107,007)	47,254
Nonoperating Revenues (Expenses):					
Impact Fees	540,050	92,732	316,499	-	949,281
Interest Income	52,766	57,420	-	13,262	123,448
Federal Grant	-	-	282,740	-	282,740
Contributions	255,780	-	-	-	255,780
Interest Expense	(13,768)	(5,606)	-	-	(19,374)
Net Pension Expense	(98)	(11,514)	-	(24,358)	(35,970)
Total Nonoperating Revenues (Expenses)	834,730	133,032	599,239	(11,096)	1,555,905
Change in Net Position	965,336	35,567	720,359	(118,103)	1,603,159
Net Position - Beginning	11,427,450	4,536,731	2,247,683	1,265,577	19,477,441
Net Position - Ending	\$12,392,786	\$4,572,298	\$2,968,042	\$ 1,147,474	\$21,080,600

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

ENOCH CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Fiscal Year Ended June 30, 2025

	Business-Type Activity				
	Enterprise Funds				
	Water Fund	Sewer Fund	Drainage Fund	Sanitation Fund	Totals
Cash Flows From Operating Activities:					
Receipts From Customers	\$ 1,521,786	\$ 746,286	\$ 219,630	\$ 631,264	\$3,118,966
Payments to Suppliers	(1,087,927)	(327,912)	(30,261)	(262,017)	(1,708,117)
Payments to Employees	(283,074)	(320,449)	(1,150)	(404,187)	(1,008,860)
Net Cash Provided by Operating Activities	150,785	97,925	188,219	(34,940)	401,989
Cash Flows From Capital and Related Financing Activities:					
Principal Paid on Capital Debt	(124,366)	(16,000)	-	-	(140,366)
Interest Paid on Capital Debt	(13,768)	(5,606)	-	-	(19,374)
Capital Grants	255,780	-	282,740	-	538,520
Capital Outlay	(528,438)	(10,000)	(195,432)	(219,908)	(953,778)
Impact Fees	540,050	92,732	316,499	-	949,281
Net Cash Provided (Used) by Capital and Related Financing Activities	129,258	61,126	403,807	(219,908)	374,283
Cash Flows from Investing Activities:					
Interest Received	52,766	57,420	-	13,262	123,448
Net Cash Provided (Used) by Investing Activities	52,766	57,420	-	13,262	123,448
Net Increase (Decrease) in Cash and Investments	332,809	216,471	592,026	(241,586)	899,720
Cash and Investments - Beginning	657,228	1,465,914	74,893	807,275	3,005,310
Cash and Investments - Ending	\$ 990,037	\$ 1,682,385	\$ 666,919	\$ 565,689	\$3,905,030
Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities:					
Operating Income	\$ 130,606	\$ (97,465)	\$ 121,120	\$ (107,008)	\$ 47,253
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By Operating Activities:					
Depreciation	316,092	196,711	89,068	108,223	710,094
Increase (Decrease) in Operating Assets:					
Accounts Receivable	22,897	(4,018)	(21,984)	(2,896)	(6,001)
Accounts Payable	(348,057)	-	-	(38,723)	(386,780)
Compensated Absences	3,112	2,697	15	5,464	11,288
Deposits Payable	26,135	-	-	-	26,135
Total Adjustments	20,179	195,390	67,099	72,068	354,736
Net Cash Provided (Used) by Operating Activities	\$ 150,785	\$ 97,925	\$ 188,219	\$ (34,940)	\$ 401,989

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

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Enoch City conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

The accompanying basic financial statements present the financial position of various fund types and the results of operations of the various fund types. The basic financial statements are presented for the year ended June 30, 2025.

The following is a summary of the more significant policies:

A. Reporting Entity

Enoch City is a municipal corporation in Iron County, Utah. It is governed by an elected Mayor and a five-member council. As required by generally accepted accounting principles, these financial statements are of the primary government, Enoch City, the reporting entity. The City has no component units.

B. Government-Wide and Fund Financial Statements

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

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

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

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

The government reports the following major governmental funds:

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

The Capital Projects Fund accounts for the acquisition of fixed assets or construction of major capital improvements not being financed by proprietary or nonexpendable trust funds.

The Government reports the following Proprietary Funds:

The Proprietary Funds account for the activities of the City water, sewer, drainage, and sanitation fund operations. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer, drainage, and sanitation funds are charges to customers for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Position or Equity

Deposits and Investments:

The cash balances of substantially all funds are pooled and invested by the City for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. The City's investments are reported at amortized cost, which approximates fair value at year-end. The Utah Public Treasurers' Investment Fund (PTIF) operates in accordance with appropriate Utah state laws. Investments are recorded at amortized cost, which approximates *fair value in accordance with GASB Statement No. 72, Fair Value Measurement and Application*. The fair value of the City's position in the PTIF investment pool is the same as the value of the pool shares. Changes in the fair value in investments are recorded as investment earnings. Earnings on pooled funds are apportioned and paid or credited to funds based on the average earnings of each participating fund.

Cash and Investments:

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

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Building and Improvements	40 Years
Utility Systems	40 Years
Machinery and Equipment	5 - 10 Years

The City has adopted and complied with GASB 87, regarding the classification and disclosure of leases and the related leased assets and liabilities. The City has also adopted and complied with GASB 96, regarding intangible assets.

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Obligations:

In the government-wide financial statements governmental long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Equity Classifications:

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

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

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

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

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

Committed Fund Balance classification includes those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority.

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned Fund Balance classification includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. It also includes all remaining amounts that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted, or committed, and are intended to be used for specific purposes.

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

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

E. Use of Estimates:

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

F. Property Taxes:

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

G. Budgets and Budgetary Accounting:

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

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

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Once adopted, the budget may be amended by the City council without hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

H. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has only one type of item that qualifies for reporting in this category, deferred outflows as relating to pensions as described in Note 11.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items that qualify for reporting in this category. The City reports unavailable revenues from property taxes and deferred inflows as relating to pensions as described in Note 11. These amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available.

I. 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.

J. Date of Subsequent Event Evaluation

Enoch City's subsequent events have been evaluated through the day of the financial statement issuance of August 11, 2025.

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - CASH AND INVESTMENTS

Deposits:

Deposits and Investments are carried at amortized cost, which approximates fair value. A reconciliation of cash and investments at June 30, 2025, as shown on the financial statements is as follows:

	<u>Carrying at Fair Value</u>
Cash On Hand	\$ 350
Demand Deposits	198,645
Investments - PTIF	<u>10,189,684</u>
 Total Cash and Investments	 <u><u>\$ 10,388,679</u></u>
 Governmental Activities - Unrestricted	 \$ 3,491,257
Governmental Activities - Restricted	2,992,392
Business-Type Activities - Unrestricted	2,138,818
Business-Type Activities - Restricted	<u>1,766,212</u>
 Total Cash and Investments	 <u><u>\$ 10,388,679</u></u>

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, \$400,427 of the City's bank balances of \$650,427 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.

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

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

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

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse purchase 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.

Fair Value of Investments

The City measures and records its investments at amortized cost, which approximates 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.

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

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

<u>Investments By Fair Value Level</u>	<u>June 30, 2025</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Debt Securities:				
Utah Public Treasurers Investment Fund	<u>\$10,189,684</u>	<u>\$ -</u>	<u>\$10,189,684</u>	<u>\$ -</u>
 Total Investments by Fair Value Level	 <u>\$10,189,684</u>	 <u>\$ -</u>	 <u>\$10,189,684</u>	 <u>\$ -</u>

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:

- * Utah Public Treasurers' Investment Fund: application of the June 30, 2025 fair value factor, as calculated by the Utah State Treasurer, to the City's average daily balance in the Fund.

Interest Rate Risk

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

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Utah Public Treasurers'					
Investment Fund	<u>\$ 10,189,684</u>	<u>\$10,189,684</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Total	 <u>\$ 10,189,684</u>	 <u>\$10,189,684</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

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:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quality Ratings</u>			
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Unrated</u>
Utah Public Treasurers'					
Investment Fund	\$ 10,189,684	\$ -	\$ -	\$ -	\$10,189,684
Total	\$ 10,189,684	\$ -	\$ -	\$ -	\$10,189,684

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 with a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio. The City places no other limits on the amount it may invest in any one issuer.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. As of June 30, 2025, the City had \$10,189,684 in debt security investments, level 2, which were held by the investment's counterparty. The City places no other limits on the amount of investments to be held by counterparties.

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 3 - BOND RESERVES

Enoch City's bond reserves at year-end consisted of the following:

	<u>Annual Requirement</u>	<u>Total Required</u>	<u>Year-End Balance</u>
Governmental Funds:			
Series 2025 Sales Tax Revenue Bond	\$ 17,767	\$ 106,600	\$ -
Total Governmental Funds	<u>\$ 17,767</u>	<u>\$ 106,600</u>	<u>\$ -</u>
Business-Type Funds:			
Parity Water Revenue Bond, Series 2009	\$ 7,872	\$ 78,695	\$ 78,695
Parity Water Revenue Bond, Series 2023	3,636	36,360	5,454
Parity Water Revenue Bond, Series 2023 Capital Replacement	<u>5% op. budget</u>	<u>67,405</u>	<u>67,405</u>
Total Enterprise Funds	<u>\$ 11,508</u>	<u>\$ 182,460</u>	<u>\$ 151,554</u>

NOTE 4 - ACCOUNTS RECEIVABLE - PROPRIETARY FUNDS

Accounts receivables in the proprietary funds represent customer balances at June 30, 2025.

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ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 885,125	\$ -	\$ -	\$ 885,125
Land Related to Infrastructure	553,780	-	-	553,780
Work in Process	72,230	1,984,578	-	2,056,808
Total Capital Assets Not Being Depreciated	1,511,135	1,984,578	-	3,495,713
Capital Assets Being Depreciated:				
Buildings	983,905	-	-	983,905
Equipment	1,618,613	20,854	-	1,639,467
Vehicles	749,139	139,000	-	888,139
Infrastructure	5,863,437	312,887	-	6,176,324
Total Capital Assets Being Depreciated	9,215,094	472,741	-	9,687,835
Less Accumulated Depreciation For:				
Buildings	600,641	26,868	-	627,509
Equipment	877,603	143,646	-	1,021,249
Vehicles	397,802	108,007	-	505,809
Infrastructure	5,089,108	129,937	-	5,219,045
Total Accumulated Depreciation	6,965,154	408,458	-	7,373,612
Total Capital Assets Being Depreciated (Net)	2,249,940	64,283	-	2,314,223
Right-Of-Use Assets	164,625	160,694	164,625	160,694
Less Accumulated Amortization	98,775	56,785	128,956	26,604
Total Right-Of-Use Assets Being Amortized (Net)	65,850	103,909	35,669	134,090
Governmental Activities Capital Assets, Net	\$ 3,826,925	\$ 2,152,770	\$ 35,669	\$ 5,944,026

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 314,127	\$ -	\$ -	\$ 314,127
Water Stock	3,860,689	-	-	3,860,689
Work In Process	1,754,585	411,334	1,970,488	195,431
	<u>5,929,401</u>	<u>411,334</u>	<u>1,970,488</u>	<u>4,370,247</u>
 Total Capital Assets Not Being Depreciated	 <u>5,929,401</u>	 <u>411,334</u>	 <u>1,970,488</u>	 <u>4,370,247</u>
 Capital Assets Being Depreciated:				
Buildings	1,002,994	-	-	1,002,994
Utility Systems	18,989,270	2,273,023	-	21,262,293
Equipment and Vehicles	2,903,142	239,908	-	3,143,050
	<u>22,895,406</u>	<u>2,512,931</u>	<u>-</u>	<u>25,408,337</u>
 Total Capital Assets Being Depreciated	 <u>22,895,406</u>	 <u>2,512,931</u>	 <u>-</u>	 <u>25,408,337</u>
 Less Accumulated Depreciation For:				
Buildings	398,708	24,480	-	423,188
Utility Systems	8,269,206	520,838	-	8,790,044
Equipment and Vehicles	2,142,246	164,776	-	2,307,022
	<u>10,810,160</u>	<u>710,094</u>	<u>-</u>	<u>11,520,254</u>
 Total Accumulated Depreciation	 <u>10,810,160</u>	 <u>710,094</u>	 <u>-</u>	 <u>11,520,254</u>
 Total Capital Assets Being Depreciated (Net)	 <u>12,085,246</u>	 <u>1,802,837</u>	 <u>-</u>	 <u>13,888,083</u>
 Business-Type Activities Capital Assets, Net	 <u>18,014,647</u>	 <u>2,214,171</u>	 <u>1,970,488</u>	 <u>18,258,330</u>
 Total Capital Assets	 <u>\$21,841,572</u>	 <u>\$ 4,366,941</u>	 <u>\$ 2,006,157</u>	 <u>\$24,202,356</u>

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 5 - CAPITAL ASSETS AND AMORTIZATION (CONTINUED)

Depreciation expense was charged to functions of the Primary Government as follows:

	Governmental Activities	Business-Type Activities
General Government	\$ 21,016	\$ -
Public Safety	60,511	-
Highways and Public Improvements	345,338	-
Parks and Recreation	38,378	-
Water	-	316,092
Sewer	-	196,711
Drainage	-	89,068
Refuse	-	108,223
Total Depreciation Expense	<u>\$ 465,243</u>	<u>\$ 710,094</u>

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable represents amounts owed various vendors at June 30, 2025, and paid in subsequent periods.

NOTE 7 - LONG-TERM DEBT

Governmental Long-Term Debt

Real Estate Purchase Contract:

On August 2, 2007, the City entered into a real estate purchase contract with Young Electric Sign Company for the purchase of 7.34 acres of land for \$300,000. Terms of the contract require yearly payments of \$15,000 with no interest. The payment will be made from lease revenues from Young Electric Sign Company of \$15,000 per year.

The following is a summary of debt service payments to maturity:

	Note from Direct Borrowing and Direct Placements		
	Principal	Interest	Total
2026	\$ 15,000	\$ -	\$ 15,000
2027	15,000	-	15,000
2028	15,000	-	15,000
Total	<u>\$ 45,000</u>	<u>\$ -</u>	<u>\$ 45,000</u>

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - LONG-TERM DEBT (CONTINUED)

2025 Sales Tax Revenue Bond, Series 2025

On January 8, 2025 Enoch City issued Sales Tax Revenue Bonds, Series 2025 in the amount of \$2,220,000, with an interest rate of 2.5%. Bonds were issued for the construction of a public safety facility, together with related improvements. The bonds are secured with Sales Tax revenues.

The following is a schedule of debt service payment to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
October 1, 2026	\$ -	\$ -	\$ -
2027	51,000	55,500	106,500
2028	52,000	54,225	106,225
2029	53,000	52,925	105,925
2030	54,000	51,600	105,600
2031-2035	294,000	206,925	500,925
2036-2040	332,000	198,325	530,325
2041-2045	375,000	154,750	529,750
2046-2050	425,000	104,375	529,375
2051-2055	480,000	49,600	529,600
2056	<u>104,000</u>	<u>2,600</u>	<u>106,600</u>
Total	<u><u>2,220,000</u></u>	<u><u>930,825</u></u>	<u><u>3,150,825</u></u>

Lease Agreements:

The City has entered into lease agreements for equipment that meet the criteria of lease accounting under Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. These agreements give the City the right to use specific assets over the lease term in exchange for agreed-upon payments.

Description of Lease Agreements

As of June 30, 2025, the City leases the following vehicles under noncancelable lease agreements:

Four 2024 Ford F-150s SuperCrew 4WD Pickups for the Police Department. The fair market value of the leased vehicles at acquisition is \$160,964.

The lease terms are for a 60 month or 5 year lease, with an effective interest rate of 7.25%. The agreements contain purchase options, and the City has the option to obtain these trucks at the end of the lease agreements. One lease payment of \$39,454 was made in this fiscal year.

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Right-to-Use Assets and Lease Liabilities

At June 30, 2025, the City reported the following related to its lease obligations:

Description	Governmental Activities			
Right-to-Use lease asset, net	\$	134,090	Lease Liabilities	\$ 132,890

Future Lease Payments

Future minimum lease payments under noncancelable leases as of fiscal year end are as follows:

Fiscal Year Ending	<u>Lease Payments</u>
2026	\$ 39,454
2027	39,454
2028	39,454
2029	<u>39,454</u>
Total	157,816
Less: Interest	<u>(24,926)</u>
Fiscal Year Ending Lease Payments	
Present Value	<u><u>\$ 132,890</u></u>

The following is a statement of changes in governmental long-term debt:

	<u>Outstanding</u> <u>June 30, 2024</u>	<u>Issued</u>	<u>Matured</u>	<u>Outstanding</u> <u>June 30, 2025</u>	<u>Due Within</u> <u>One Year</u>
Real Estate Purchase Contract	\$ 60,000	\$ -	\$ 15,000	\$ 45,000	\$ 15,000
Sales Tax Revenue Bond 2.5%	-	2,220,000	-	2,220,000	-
Vehicle Lease	32,925	160,694	60,729	132,890	29,820
Net Pension Liability	<u>299,109</u>	<u>69,344</u>	<u>-</u>	<u>368,453</u>	<u>-</u>
Total	<u><u>\$ 392,034</u></u>	<u><u>\$ 2,450,038</u></u>	<u><u>\$ 75,729</u></u>	<u><u>\$ 2,766,343</u></u>	<u><u>\$ 44,820</u></u>

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Business-Type Long-Term Debt

Water System:

CIB Water System Improvement Loan:

On April 27, 1994, the Permanent Community Impact Fund Board authorized a \$517,600 grant and a \$776,400 loan to Enoch City for the construction of water system improvements, including the construction of a 2.0 million gallon storage tank, supply line, transmission line and booster pump station. The terms of the loan require yearly payments with an interest rate of 2.5%. The loan is secured by the revenues generated by culinary water sales. The loan was retired during the current fiscal year.

Parity Water Revenue Bond, Series 2009

On March 21, 2009, the City issued \$1,200,000 of series 2009 Parity Water Revenue Bonds to provide funding to finance all or part of the cost of acquiring, constructing, improving, extending and maintaining the culinary water system for the City. The bonds were purchased by the State of Utah, Department of Environmental Quality, Drinking Water Board, with an interest rate of 1.97% per annum. Payments will begin on January 1, 2014 and continue through 2030. Bonds are secured by water revenues.

The following is a schedule of debt service payment to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
January 1,			
2026	\$ 71,000	\$ 5,299	\$ 76,299
2027	72,000	3,901	75,901
2028	74,000	2,482	76,482
2029	<u>52,000</u>	<u>1,024</u>	<u>53,024</u>
Total	<u>\$ 269,000</u>	<u>\$ 12,706</u>	<u>\$ 281,706</u>

Parity Water Revenue Bond, Series 2024

On December 18, 2024, the City issued \$645,000 of Series 2024 Water Revenue Bonds to provide funding to finance all or part of the cost of constructing a 2 million gallon steel tank, thereby, improving the culinary water system for the City. The bonds were purchased by the State of Utah, Division of Drinking Water, with an interest rate of 1% per annum. An interest only payment will begin on January 1, 2025 and regular principal and interest payments will begin January 1, 2025 and continue through 2044. The bonds are secured by water revenues.

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The annual debt service payments are reflected in the repayment schedule as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 30,000	\$ 6,160	\$ 36,160
2027	30,000	5,860	35,860
2028	30,000	5,560	35,560
2029	30,000	5,260	35,260
2030	31,000	4,960	35,960
2031-2035	158,000	20,120	178,120
2036-2040	167,000	12,040	179,040
2041-2044	140,000	3,530	143,530
Totals	<u>\$ 616,000</u>	<u>\$ 63,490</u>	<u>\$ 679,490</u>

Sewer System:

Series 2018 General Obligation Sewer Refunding Bonds:

On February, 2018, Enoch City issued General Obligation Sewer Refunding Bonds, Series 2018 of \$268,000 with an annual interest rate of between 1.65% and 3.70%. The proceeds were used to refund approximately \$270,000 of the outstanding Series 1995 General Obligation Sewer Bonds which had an interest rate of 5.125%. The City paid bond issuance costs of \$15,500 and deposited approximately \$275,000 to the current refunding fund. As a result, the Series 1995 General Obligation Sewer Bonds are considered retired in the current refunding and the liability for the bonds has been removed from the statement of net position.

The City current refunded the Series 1995 General Obligation Sewer Bonds to reduce its total debt service payments from 20 to 15 years by \$91,256 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$32,010. The refunding bonds have been purchased by Zions Bank and will be paid back over a 15 year period. Total payments between \$21,000 and \$22,000 per year will begin October 1, 2018, with accrued interest being paid semiannually on April 1 of each year.

The annual debt service payments are reflected in the repayment schedule as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 16,000	\$ 5,162	\$ 21,162
2027	17,000	4,679	21,679
2028	17,000	4,161	21,161
2029	18,000	3,609	21,609
2030	19,000	3,007	22,007
2031-2034	76,000	3,988	79,988
Totals	<u>\$ 163,000</u>	<u>\$ 24,606</u>	<u>\$ 187,606</u>

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of debt service charges to maturity for Business-Type Long-Term Debt:

	Direct Placement Bonds		Total
	Principal	Interest	
2026	\$ 117,000	\$ 16,621	\$ 133,621
2027	119,000	15,838	134,838
2028	121,000	13,622	134,622
2029	100,000	11,351	111,351
2030	50,000	7,967	57,967
2031-2035	234,000	24,108	258,108
2036-2040	167,000	12,040	179,040
2041-2044	140,000	3,530	143,530
Total	<u>\$ 1,048,000</u>	<u>\$ 105,077</u>	<u>\$ 1,153,077</u>

The following is a statement of changes in Business-Type Long-term Debt:

	Outstanding June 30, 2024	Issued	Matured	Outstanding June 30, 2025	Due Within One Year
1994 CIB Water	\$ 26,366	\$ -	\$ 26,366	\$ -	\$ -
2009 CIB Water	338,000	-	69,000	269,000	71,000
2024 Water	645,000	-	29,000	616,000	30,000
2018 GO Sewer	179,000	-	16,000	163,000	16,000
Net Pension Liability	168,249	39,006	-	207,255	-
Total	<u>\$ 1,356,615</u>	<u>\$ 39,006</u>	<u>\$ 140,366</u>	<u>\$ 1,255,255</u>	<u>\$ 117,000</u>

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Compensated Absences:

The City was liable for accrued vacation pay of \$132,960 at June 30, 2025. The following is a schedule of changes in compensated absences:

	Balance June 30, 2024	Net Change		Balance June 30, 2025
		Earned	Used	
Governmental Funds	\$ 72,460	\$ 19,495	\$ -	\$ 91,955
Business-Type Funds	29,717	11,288	-	41,005
Total Compensated Absences	<u>\$ 102,177</u>	<u>\$ 30,783</u>	<u>\$ -</u>	<u>\$ 132,960</u>

NOTE 8 - CLASS C ROAD FUND

The following is a statement of receipts and disbursements in Class C Road Fund:

Balance - Beginning of Year	\$ 2,073,341
Receipts:	
State of Utah Allotments	\$ 698,459
Interest	<u>150,069</u>
Total Receipts	848,528
Disbursements:	
Repairs, Maintenance and Equipment	<u>(975,041)</u>
Balance - End of Year	<u>\$ 1,946,828</u>

NOTE 9 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City participates in the Utah Local Government Trust, a public agency insurance mutual, which provides coverage for property damage and general liability. The City is subject to a minimal deductible for claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Amounts of settlements have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 10 - ROUNDING CONVENTION

A rounding convention to the nearest whole dollar has been applied throughout this report, therefore the precision displayed in any monetary amount is plus or minus \$1. These financial statements are computer generated and the rounding convention is applied to each amount displayed in a column, whether detail item or total. As a result, without the overhead cost of manually balancing each column, the sum displayed amounts in a column may not equal the total displayed. The maximum difference between any displayed number or total and its actual value will not be more than \$1.

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 11 - PENSION PLAN

General Information about the Pension Plan

Plan Description:

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

Defined Benefit Plans:

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

The Public Safety Retirement System (Public Safety System) is a cost sharing, multiple-employer, public employee retirement system.

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

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

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 System's 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 East 200 South, Salt Lake City, Utah, 84102 or visiting the website:

www.urs.org/general/publications.

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 11 - PENSION PLAN (CONTINUED)

Summary of Benefits By System:

Benefits Provided:

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

<u>System</u>	<u>Final Average Salary</u>	<u>Years of Service Required and/or Age Eligible for Benefit</u>	<u>Benefit Percentage Per Year of Service</u>	<u>COLA**</u>
Noncontributory System	Highest 3 years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years, any age 10 years, age 60 4 years, age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
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%
Tier 2 Public Safety, Firefighter System	Highest 5 years	25 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.5% per year to June 2000 2.0% per year July 2020 to present	Up to 2.5%

* Actuarial reductions are applied.

** 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.

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 11 - PENSION PLAN (CONTINUED)

Contribution Rate Summary:

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the cost 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 follows:

Utah Retirement Systems:

	<u>Employee</u>	<u>Employer</u>	<u>ER 401(k)</u>
Noncontributory System			
15 - Local Government - Tier 1 - DB System	-	16.97%	-
111 - Local Government - Tier 2 - DB Hybrid System	0.70%	15.19%	-
211 - Local Government - Tier 2 - 401(k) Option	-	15.19%	10.00%
Public Safety System Noncontributory			
43 - Other Division A 2.5% COLA - Tier 1 - DB System	-	33.54%	-
122- Other Div. A 2.5% COLA - Tier 2 - DB Hybrid Sys.	4.73%	25.33%	-
222 - Other Div. A 2.5% COLA - Tier 2 - 401(k) Option	-	11.33%	14.00%

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

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

	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 90,563	\$ -
Public Safety System	75,530	-
Tier 2 Public Employees System	119,117	5,433
Tier 2 Public Safety and Fighter	107,675	20,107
Tier 2 DC Public Employees Plan	2,974	-
Total Contributions	<u><u>\$ 395,859</u></u>	<u><u>\$ 25,540</u></u>

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.

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 11 - PENSION PLAN (CONTINUED)

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

At June 30, 2025, we reported a net pension liability of \$575,709 and a net pension asset of \$0.

	(Measurement Date): December 31, 2024				
	Net Pension Liability	Net Pension Asset	Proportionate Share - 2024	Proportionate Share - 2023	Change (Decrease)
Noncontributory System	\$ 202,372	\$ -	0.0638174%	0.0610771%	0.0027403%
Public Safety System	262,406	-	0.1695896%	0.1686126%	0.0009770%
Tier 2 Public Employees System	72,564	-	0.0243307%	0.0249607%	-0.0006300%
Tier 2 Public Safety/ Firefighter System	38,366	-	0.0848273%	0.0954609%	-0.0106336%
Total	<u>\$ 575,709</u>	<u>\$ -</u>			

The net pension asset and liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to 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 \$495,686.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 202,911	\$ 2,516
Changes in assumptions	62,492	610
Net difference between projected and actual earnings on pension plan investments	113,497	-
Changes in proportion and differences between contributions and proportionate share of contributions	15,282	6,696
Contributions subsequent to the measurement date	208,051	-
Total	<u>\$ 602,233</u>	<u>\$ 9,822</u>

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 11 - PENSION PLAN (CONTINUED)

\$208,051 was reported as deferred outflows of resources to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2025	\$ 156,305
2026	\$ 194,842
2027	\$ (35,238)
2028	\$ 2,344
2029	\$ 24,323
Thereafter	\$ 41,784

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	3.50 - 9.50 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

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

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

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 11 - PENSION PLAN (CONTINUED)

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

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity Securities	35.00%	7.01%	2.45%
Debt Securities	20.00%	2.54%	0.51%
Real Assets	18.00%	5.45%	0.98%
Private Equity	12.00%	10.05%	1.21%
Absolute Return	15.00%	4.36%	0.65%
Cash and Cash Equivalents	0.00%	0.49%	0.00%
Totals	100.00%		5.80%
			Inflation 2.50%
			Expected arithmetic nominal return 8.30%

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

Discount Rate:

The discount rate used to measure the total pension liability was 6.85%. 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.

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 11 - PENSION PLAN (CONTINUED)

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

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

<u>System</u>	<u>1% Decrease or 5.85%</u>	<u>Discount Rate or 6.85%</u>	<u>1% Increase or 7.85%</u>
Noncontributory System	\$ 855,869	\$ 202,372	\$ (345,700)
Public Safety System	806,150	262,406	(181,280)
Tier 2 Public Employees System	216,730	72,564	(39,584)
Tier 2 Public Safety and Firefighter	130,826	38,366	(35,556)
	<u>\$ 2,009,575</u>	<u>\$ 575,709</u>	<u>\$ (602,120)</u>

Pension Plan Fiduciary Net Position:

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

Defined Contribution Savings 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 section 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provision is available in the separately issued URS financial report.

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

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

ENOCH CITY
NOTES TO FINANCIAL STATEMENTS
Continued

NOTE 11 - PENSION PLAN (CONTINUED)

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
401(K) Plan:			
Employer Contributions	\$ 5,648	\$ 6,551	\$ 7,310
Employee Contributions	\$ 39,763	\$ 47,972	\$ 43,669
457(b) Plan:			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	\$ 622	\$ 1,147	\$ 759
Roth IRA Plan:			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 24,640	\$ 20,794	\$ 20,952

**REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

ENOCH CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETS
For The Fiscal Year Ended June 30, 2025

Budgetary Comparison Schedules:

The Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual presented in this section of the report are for the City's General Fund.

Budgeting and Budgetary Control:

Budgets for the General Fund are legally required and are prepared and adopted on the modified accrual basis of accounting.

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

Current Year Budgetary Compliance:

For the year ended June 30, 2025, spending for all funds of the City was within the approved budgets.

ENOCH CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For The Fiscal Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Variance With Final Budget</u>
Revenues:				
Taxes:				
General Property Taxes	\$ 632,416	\$ 632,416	\$ 644,153	\$ 11,737
Delinquent Prior Years Taxes	40,000	40,000	23,688	(16,312)
Fee-In-Lieu	55,000	55,000	69,411	14,411
General Sales and Use Taxes	1,200,000	1,200,000	1,370,445	170,445
Telecommunications Tax	20,000	20,000	132,731	112,731
Franchise Taxes	180,000	180,000	195,003	15,003
	<u>2,127,416</u>	<u>2,127,416</u>	<u>2,435,431</u>	<u>308,015</u>
Total Taxes				
Licenses and Permits:				
Business Licenses	3,000	5,500	5,535	35
Franchise Fees	60,000	60,000	86,585	26,585
Building Permits	250,000	350,000	393,404	43,404
Impact Fees - Streets	160,000	160,000	251,027	91,027
Impact Fees - Parks	100,000	100,000	146,250	46,250
Impact Fees - Police	108,312	108,312	166,531	58,219
Animal Licenses	5,000	5,000	3,246	(1,754)
Street and Curb Permits	400	400	650	250
	<u>686,712</u>	<u>789,212</u>	<u>1,053,228</u>	<u>264,016</u>
Total Licenses and Permits				
Intergovernmental Revenue:				
Class C Road	450,000	450,000	698,458	248,458
State Liquor Allotment	4,000	4,000	-	(4,000)
Law Enforcement/Safety Grants	27,000	27,000	16,172	(10,828)
Recreation Grant	3,500	3,500	8,770	5,270
Federal Grants	14,500	14,500	-	(14,500)
Local Grants	-	-	265,000	265,000
	<u>\$ 499,000</u>	<u>\$ 499,000</u>	<u>\$ 988,400</u>	<u>\$ 489,400</u>
Total Intergovernmental Revenue				

ENOCH CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For The Fiscal Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Variance With Final Budget</u>
Revenues (Continued):				
Charges for Services:				
Zoning and Subdivision Fees	\$ 70,000	\$1,157,000	\$1,168,659	\$ 11,659
Street Improvement Fees	4,500	4,500	25	(4,475)
Street Paving	800	800	170	(630)
Cemetery Lot Sales	10,000	10,000	7,400	(2,600)
Grave Openings	3,000	3,000	1,815	(1,185)
Dispatch Fee	40,000	41,750	44,979	3,229
Police Fees	2,000	2,000	3,506	1,506
Convenience Fee	1,400	1,400	2,756	1,356
Restitution Collected	500	500	-	(500)
Recreation Fees	7,000	7,000	7,306	306
Soccer Fees	15,000	15,000	19,647	4,647
Animal Shelter Fees	8,000	8,000	4,522	(3,478)
Miscellaneous	15,000	17,500	5,212	(12,288)
Total Charges for Services	177,200	1,268,450	1,265,997	(2,453)
Fines and Forfeitures	8,000	8,000	9,267	1,267
Other Revenue:				
Interest	185,500	185,500	288,234	102,734
Rents	600	600	18,617	18,017
Sale of Capital Assets	-	-	148,508	148,508
Other	51,000	118,573	44,524	(74,049)
Fund Balance Appropriation	932,572	1,433,511	-	(1,433,511)
Total Miscellaneous Revenue	1,169,672	1,738,184	499,883	(1,238,301)
Total Revenues	4,668,000	6,430,262	6,252,206	(178,056)
Expenditures:				
General Government:				
City Council	81,200	81,200	81,261	(61)
Administration	446,800	1,548,662	1,514,943	33,719
Planning Commission	24,800	25,100	23,875	1,225
Total General Government	\$ 552,800	\$1,654,962	\$1,620,079	\$ 34,883

ENOCH CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For The Fiscal Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Variance With Final Budget</u>
Expenditures (Continued):				
Public Safety:				
Police Department	\$1,471,500	\$1,553,600	\$1,551,274	\$ 2,326
Animal Control	271,300	281,300	277,014	4,286
Public Services	354,100	384,100	357,458	26,642
Building and Zoning	<u>148,000</u>	<u>156,750</u>	<u>132,917</u>	<u>23,833</u>
Total Public Safety	<u>2,244,900</u>	<u>2,375,750</u>	<u>2,318,663</u>	<u>57,087</u>
Highway and Public Improvements:				
Repairs and Maintenance	<u>1,398,600</u>	<u>1,840,950</u>	<u>1,664,435</u>	<u>176,515</u>
Parks and Recreation:				
Parks	284,700	336,100	262,663	73,437
Recreation	23,500	37,500	35,271	2,229
Cemetery	<u>53,500</u>	<u>75,000</u>	<u>72,921</u>	<u>2,079</u>
Total Culture and Recreation	<u>361,700</u>	<u>448,600</u>	<u>370,855</u>	<u>77,745</u>
Total Expenditures	<u>4,558,000</u>	<u>6,320,262</u>	<u>5,974,032</u>	<u>346,230</u>
Excess Revenues Over (Under)				
Expenditures Before Transfers	<u>110,000</u>	<u>110,000</u>	<u>278,174</u>	<u>168,174</u>
Other Financing Sources (Uses)				
Budgeted Increase in Fund Balance	<u>110,000</u>	<u>110,000</u>	<u>-</u>	<u>110,000</u>
Total Other Financing	<u>110,000</u>	<u>110,000</u>	<u>-</u>	<u>110,000</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	278,174	<u>\$ 278,174</u>
Fund Balance - Beginning			<u>5,024,315</u>	
Fund Balance - Ending			<u>\$5,302,489</u>	

ENOCH CITY
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
Measurement Date of December 31, 2024
June 30, 2025
Last 10 Fiscal Years*

	Noncontributory Retirement System	Public Safety Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighter Retirement System
Proportion of the Net Pension Liability (Asset)				
2015	0.0443071%	0.1314769%	0.0128077%	0.0582976%
2016	0.0438532%	0.1025795%	0.0123024%	0.0655209%
2017	0.0438114%	0.0878650%	0.0196081%	0.0845711%
2018	0.0435459%	0.0975602%	0.0203524%	0.0655209%
2019	0.0441583%	0.1158864%	0.0181404%	0.0934495%
2020	0.0425199%	0.1036646%	0.0194177%	0.0781778%
2021	0.0477213%	0.1184584%	0.0216734%	0.0724323%
2022	0.0476092%	0.1345779%	0.0216252%	0.0822008%
2023	0.0610771%	0.1686126%	0.0249607%	0.0954609%
2024	0.0638174%	0.1695896%	0.0243307%	0.0848273%
Proportionate Share of the Net Pension Liability (Asset)				
2015	\$ 250,711	\$ 235,508	\$ (28)	\$ (852)
2016	\$ 281,591	\$ 208,162	\$ 1,372	\$ (177)
2017	\$ 191,951	\$ 137,830	\$ 1,728	\$ (979)
2018	\$ 320,660	\$ 250,982	\$ 8,716	\$ 1,642
2019	\$ 166,427	\$ 186,069	\$ 4,080	\$ 8,790
2020	\$ 21,810	\$ 86,067	\$ 2,793	\$ 7,012
2021	\$ (273,305)	\$ (96,205)	\$ (9,173)	\$ (3,661)
2022	\$ 81,543	\$ 174,019	\$ 23,548	\$ 6,858
2023	\$ 141,672	\$ 241,144	\$ 48,583	\$ 35,959
2024	\$ 202,372	\$ 262,406	\$ 72,564	\$ 38,366
Covered Employee Payroll				
2015	\$ 394,025	\$ 186,780	\$ 82,741	\$ 34,684
2016	\$ 372,045	\$ 151,553	\$ 100,891	\$ 16,856
2017	\$ 325,267	\$ 106,412	\$ 191,795	\$ 89,275
2018	\$ 313,939	\$ 122,836	\$ 237,745	\$ 87,607
2019	\$ 317,924	\$ 133,428	\$ 252,106	\$ 154,009
2020	\$ 287,129	\$ 117,393	\$ 310,516	\$ 157,390
2021	\$ 313,607	\$ 138,176	\$ 402,092	\$ 173,213
2022	\$ 326,883	\$ 150,395	\$ 470,562	\$ 252,914
2023	\$ 466,130	\$ 204,346	\$ 645,360	\$ 361,733
2024	\$ 504,135	\$ 213,776	\$ 720,779	\$ 387,212
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll				
2015	63.63%	126.09%	- .03%	-2.46%
2016	75.69%	137.35%	1.36%	-1.05%
2017	59.01%	129.53%	0.90%	-1.10%
2018	102.14%	204.32%	3.67%	1.87%
2019	52.35%	139.45%	1.62%	5.71%
2020	7.60%	73.32%	0.90%	4.46%
2021	-87.15%	-69.62%	-2.28%	-2.11%
2022	24.95%	115.71%	5.00%	2.71%
2023	30.39%	118.01%	7.53%	9.94%
2024	40.14%	122.75%	10.07%	9.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability				
2015	87.80%	87.10%	100.20%	110.70%
2016	87.30%	86.50%	95.10%	103.60%
2017	91.90%	90.20%	97.40%	103.00%
2018	87.00%	84.70%	90.80%	95.60%
2019	93.70%	90.90%	96.50%	89.60%
2020	99.20%	95.50%	98.30%	93.10%
2021	108.70%	104.20%	103.80%	102.80%
2022	97.50%	93.60%	92.30%	96.40%
2023	96.90%	93.44%	89.58%	89.10%
2024	96.02%	93.30%	87.44%	90.10%

* 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.

ENOCH CITY
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
June 30, 2025

	As of Fiscal Year Ended June 30,	Actuarial Determined Contributions	Contributions in Relation to The Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions As a Percentage of Covered Employee Payroll
Noncontributory System	2016	\$ 66,080	\$ 66,080	\$ -	\$ 390,146	16.94%
	2017	\$ 61,518	\$ 61,518	\$ -	\$ 333,070	18.47%
	2018	\$ 59,013	\$ 59,013	\$ -	\$ 319,510	18.47%
	2019	\$ 58,272	\$ 58,272	\$ -	\$ 315,494	18.47%
	2020	\$ 57,330	\$ 57,330	\$ -	\$ 310,396	18.47%
	2021	\$ 53,907	\$ 53,907	\$ -	\$ 291,865	18.47%
	2022	\$ 57,737	\$ 57,737	\$ -	\$ 312,600	18.47%
	2023	\$ 71,086	\$ 71,086	\$ -	\$ 394,808	18.01%
	2024	\$ 88,816	\$ 88,816	\$ -	\$ 494,247	17.97%
	2025	\$ 90,563	\$ 90,563	\$ -	\$ 533,668	16.97%
Public Safety System	2016	\$ 61,407	\$ 61,407	\$ -	\$ 180,397	34.04%
	2017	\$ 39,003	\$ 39,003	\$ -	\$ 114,580	34.04%
	2018	\$ 38,429	\$ 38,429	\$ -	\$ 112,894	34.04%
	2019	\$ 47,398	\$ 47,398	\$ -	\$ 139,242	34.04%
	2020	\$ 41,521	\$ 41,521	\$ -	\$ 121,997	34.03%
	2021	\$ 41,785	\$ 41,785	\$ -	\$ 122,752	34.04%
	2022	\$ 47,574	\$ 47,574	\$ -	\$ 139,760	34.04%
	2023	\$ 62,275	\$ 62,275	\$ -	\$ 182,947	34.04%
	2024	\$ 71,379	\$ 71,379	\$ -	\$ 209,691	34.04%
	2025	\$ 75,530	\$ 75,530	\$ -	\$ 225,195	33.54%
Tier 2 Public Employees System	2016	\$ 12,796	\$ 12,796	\$ -	\$ 85,822	14.91%
	2017	\$ 20,811	\$ 20,811	\$ -	\$ 139,472	14.92%
	2018	\$ 33,671	\$ 33,671	\$ -	\$ 222,836	15.11%
	2019	\$ 37,594	\$ 37,594	\$ -	\$ 242,422	15.51%
	2020	\$ 45,022	\$ 45,022	\$ -	\$ 287,496	15.66%
	2021	\$ 52,887	\$ 52,887	\$ -	\$ 334,843	15.79%
	2022	\$ 67,413	\$ 67,413	\$ -	\$ 419,494	16.07%
	2023	\$ 92,843	\$ 92,843	\$ -	\$ 579,898	16.01%
	2024	\$ 109,514	\$ 109,514	\$ -	\$ 684,034	16.01%
	2025	\$ 119,117	\$ 119,117	\$ -	\$ 784,179	15.19%

ENOCH CITY
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
June 30, 2025

	As of Fiscal Year Ended June 30,	Actuarial Determined Contributions	Contributions in Relation to The Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions As a Percentage of Covered Employee Payroll
Tier 2 Public Safety and Firefighter System	2016	\$ 5,398	\$ 5,398	\$ -	\$ 23,993	22.50%
	2017	\$ 11,911	\$ 11,911	\$ -	\$ 52,936	22.50%
	2018	\$ 19,569	\$ 19,569	\$ -	\$ 86,705	22.57%
	2019	\$ 26,286	\$ 26,286	\$ -	\$ 113,993	23.06%
	2020	\$ 39,548	\$ 39,548	\$ -	\$ 169,730	23.30%
	2021	\$ 36,349	\$ 36,349	\$ -	\$ 140,607	25.85%
	2022	\$ 52,456	\$ 52,456	\$ -	\$ 203,082	25.83%
	2023	\$ 84,614	\$ 84,614	\$ -	\$ 328,081	25.79%
	2024	\$ 97,362	\$ 97,362	\$ -	\$ 379,933	25.63%
	2025	\$ 107,675	\$ 107,675	\$ -	\$ 425,087	25.33%
Tier 2 DC Public Employees System	2016	\$ 2,059	\$ 2,059	\$ -	\$ 30,778	6.69%
	2017	\$ 2,280	\$ 2,280	\$ -	\$ 34,086	6.69%
	2018	\$ 2,486	\$ 2,486	\$ -	\$ 37,161	6.69%
	2019	\$ 3,225	\$ 3,225	\$ -	\$ 46,666	6.91%
	2020	\$ 4,788	\$ 4,788	\$ -	\$ 71,574	6.69%
	2021	\$ 4,623	\$ 4,623	\$ -	\$ 69,103	6.69%
	2022	\$ 5,319	\$ 5,319	\$ -	\$ 79,508	6.69%
	2023	\$ 3,895	\$ 3,895	\$ -	\$ 61,670	6.32%
	2024	\$ 3,293	\$ 3,293	\$ -	\$ 53,199	6.19%
	2025	\$ 2,974	\$ 2,974	\$ -	\$ 56,475	5.27%
Tier 2 DC Public Safety and Firefighter System	2016	\$ -	\$ -	\$ -	\$ -	0.00%
	2017	\$ -	\$ -	\$ -	\$ -	0.00%
	2018	\$ -	\$ -	\$ -	\$ -	0.00%
	2019	\$ -	\$ -	\$ -	\$ -	0.00%
	2020	\$ -	\$ -	\$ -	\$ -	0.00%
	2021	\$ -	\$ -	\$ -	\$ -	0.00%
	2022	\$ 1,722	\$ 1,722	\$ -	\$ 14,553	11.83%
	2023	\$ -	\$ -	\$ -	\$ -	0.00%
	2024	\$ -	\$ -	\$ -	\$ -	0.00%
	2025	\$ -	\$ -	\$ -	\$ -	0.00%

* 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.

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

ENOCH CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN
UTAH RETIREMENT SYSTEMS
For The Fiscal Year Ended June 30, 2025

Changes in Assumptions:

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

(This page contains no information and
is used to assist in formatting for easier reading)

COMPLIANCE SECTION

Kimball & Roberts

A Professional Corporation
Certified Public Accountants
176 North Main • P.O. Box 663
Richfield, Utah 84701

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

Honorable Mayor and City Council
Enoch City
Enoch, Utah 84721

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-type activities, the business-type activities, each major fund and the aggregate remaining fund information of Enoch City, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Enoch City's basic financial statements, and have issued our report thereon dated August 11, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Enoch 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Enoch City's internal control. Accordingly, we do not express an opinion on the effectiveness of Enoch City's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Enoch 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted a certain matter that we reported to the management of Enoch City in the accompanying *Independent Auditor's Report on Compliance and Report on Internal Control Over Compliance as Required by the State Compliance Audit Guide*.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing or 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.

Kimball & Roberts, PC

Certified Public Accountants

August 11, 2025
Richfield, Utah

Kimball & Roberts

A Professional Corporation
Certified Public Accountants
176 North Main • P.O. Box 663
Richfield, Utah 84701

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

Honorable Mayor and City Council
Enoch City
Enoch, Utah 84721

Report on Compliance with General State Compliance Requirements

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

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

Budgetary Compliance
Open and Public Meeting
Utah State Retirement

Fraud Risk Assessment
Governmental Fees
Impact Fees

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on General State Compliance Requirements

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State Compliance Audit Guide*. Our opinion on compliance is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described below. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Finding: State Compliance Finding – Untimely Posting of Meeting Minutes

Criteria:

Utah Code Annotated (UCA) 52-4-203(4) requires that approved written minutes of open public meetings be made available to the public within a reasonable time, not to exceed three business days after approval. Public entities must also post these minutes to the Utah Public Notice Website to ensure public access and transparency.

Condition:

During our review of Enoch City's compliance with open meeting requirements, we noted that certain approved meeting minutes from 2024 were not posted to the Utah Public Notice Website within the required timeframe of three business days following approval.

Cause:

The delay appears to be the result of oversight in administrative procedures and insufficient follow-up after meeting minute approval.

Effect:

Failure to timely post approved meeting minutes reduces transparency and may limit public access to official records, resulting in noncompliance with Utah open meeting laws.

Auditor's Recommendation:

We recommend Enoch City implement procedures to ensure that approved meeting minutes are posted to the Utah Public Notice Website within three business days of approval, as required by law. Designating responsibility and maintaining a compliance checklist may help ensure consistent and timely postings.

Enoch City's Response:

The minutes were uploaded to the City website within the required period. Software challenges were not recognized, but Enoch City will now take additional steps after uploads to verify public availability.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Kimball & Roberts, PC

Certified Public Accountants

August 11, 2025
Richfield, Utah