

HOOPER CITY



Financial Statements and Supplementary Data

**For the Year Ended
June 30, 2025**

TABLE OF CONTENTS

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-9

Basic Financial Statements:

Government Wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Governmental Funds Statements:	
Balance Sheet – Governmental Funds	12
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	15
Proprietary Fund Statements:	
Statement of Net Position – Proprietary Funds	17-18
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	19
Statement of Cash Flows – Proprietary Funds	21-22
Notes to the Financial Statements	23-46

Required Supplementary Information:

Schedule of Revenues, Expenditures, and Changes to Fund Balances Budget and Actual – General Fund	47-49
Schedule of the Proportionate Share of the Net Pension Liability	50-51
Schedule of Contributions	52
Notes to the Required Supplementary Information	53

Auditor's Reports:

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	54-55
Independent Auditor's Report on Compliance and on Internal Controls Over Compliance in Accordance with the <i>State of Utah Legal Compliance Audit Guide</i>	56-57



GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
Hooper, Utah

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our objectives to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and the required supplementary information regarding pensions, as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements.

The budgetary comparison and combining statements, as listed as supplemental information in the table of contents is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, budgetary comparison is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Gilbert & Stewart

GILBERT & STEWART, CPA, PC

Provo, Utah

January 23, 2026

HOOPER CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025

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

Highlights

Government-wide

- The City's combined net position increased \$3,195,570, or 8 percent from the prior year.

Governmental Fund Level

- Fund balances in the City's governmental funds increased \$834,757 or 12.67 percent over the prior year.
- Total revenues decreased by \$1,023,672 or 14.25 percent.
- Total expenditures decreased by \$306,581, or 5.13 percent. This was mostly due to continued work on some large highway and road improvements.

Proprietary Fund

- Net Position in the Proprietary Fund increased \$755,972 for the year, a 6.5 percent change from to \$11,574,510 to \$12,330,482.

Long-term Debt

- A \$430,000 principal payment was made against the Department of Water Quality loan which stands at \$6,550,000, with the last loan payment due in October 2039.

Basic Financial Statements

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the community owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Government activities reflect capital assets including infrastructure and long-term liabilities. Business-type activities have long reported capital assets and long-term liabilities.
 - The Statement of Activities focuses on gross and net costs of city programs and the extent to which such programs rely upon general tax and revenues. This statement summarizes the extent to which programs are self-supporting and/or subsidized by general revenues.
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HOOPER CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025

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- Fund financial statements focus separately on major government funds and proprietary funds. The City's major government funds are presented in their own columns. A budgetary comparison is presented for the general fund, which is the only fund for which a budget is legally adopted. A statement for the City's proprietary fund includes net position, revenues, expenses, changes in net position, and cash flow.
 - The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

Completing the financial section of the report are schedules on capital assets, long-term debt and other financial schedules.

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

Government-wide Financial Statements

During the year ended June 30, 2025 there were some significant events that changed the components of net position. An explanation of these events follows.

Governmental Activities:

- The City invested \$2,516,315 in new capital outlays; Depreciation expense was \$875,378. Investment in capital assets is 77.84 percent of the City's net position.
- The City recorded \$1,987,070 in grants from Weber County at the end of the fiscal year. These funds reimbursed them for expenditures incurred relating to the 5500 W project.
- With GASB 68 (*The Accounting and Financial Reporting for Pensions*), the City's financial statements now report the associated deferred outflows of resources at \$113,819, and net pension liability of \$78,424.
- Current liabilities decreased by \$665,341. This is mainly due the increase in accounts payable balance. At the end of the fiscal year, the City was engaged in a major road improvement project that resulted in accounts payable.

Business-Type Activities:

- The business-type activities saw a decrease of in total liabilities \$438,154. Most of that change was due to the bond payment for the year in the amount of \$430,000.

HOOPER CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
ASSETS						
Cash and investments	\$ 8,614,687	\$ 6,790,402	\$ 4,899,153	\$ 4,136,765	\$ 13,513,840	\$ 10,927,167
Other assets	899,358	2,468,984	61,680	53,947	961,038	2,522,931
Capital assets	25,690,071	24,049,134	14,182,704	14,690,658	39,872,775	38,739,792
Total assets	<u>35,204,116</u>	<u>33,308,520</u>	<u>19,143,537</u>	<u>18,881,370</u>	<u>54,347,653</u>	<u>52,189,890</u>
Deferred outflows of resources	113,819	114,523	47,569	47,727	161,388	162,250
Total assets and deferred outflows	<u>35,317,935</u>	<u>33,423,043</u>	<u>19,191,106</u>	<u>18,929,097</u>	<u>54,509,041</u>	<u>52,352,140</u>
LIABILITIES						
Current liabilities	1,567,676	2,233,017	634,649	651,140	2,202,325	2,884,157
Noncurrent liabilities	220,279	186,553	6,225,858	6,648,096	6,446,137	6,834,649
Total liabilities	<u>1,787,955</u>	<u>2,419,570</u>	<u>6,860,507</u>	<u>7,299,236</u>	<u>8,648,462</u>	<u>9,718,806</u>
Deferred inflows of resources	525,396	438,487	117	55,351	525,513	493,838
Total liabilities & deferred inflows	<u>2,313,351</u>	<u>2,858,057</u>	<u>6,860,624</u>	<u>7,354,587</u>	<u>9,173,975</u>	<u>10,212,644</u>
NET POSITION						
Net investment in capital assets	25,690,071	24,049,134	7,602,892	7,612,440	33,292,963	31,661,574
Restricted	2,686,507	2,172,419	922,500	922,500	3,679,007	3,094,919
Unrestricted	4,628,006	4,343,433	3,735,090	3,039,570	8,363,096	7,383,003
Total net position	<u>\$33,004,584</u>	<u>\$30,564,986</u>	<u>\$ 12,330,482</u>	<u>\$ 11,574,510</u>	<u>\$ 45,335,066</u>	<u>\$ 42,139,496</u>

Governmental activities:

For the year ended June 30, 2025, the total revenues for the governmental activities were \$6,504,592. This was a 9.4 percent decrease over the prior year. Program revenues totaled \$3,593,721, a decrease of 16.2 percent. The major sources of program revenues are building permits, impact fees, and grants. Most of the decrease was due to the finishing of various projects that had received grant income.

General revenues for the year totaled \$2,910,871, which is an increase of \$14,199 or 0.5 percent over the prior year. The major sources of general revenues are taxes and interest earnings. Interest in the governmental funds decreased by \$151,461 or 30.5 percent decrease.

Expenses increased by \$840,487 or 26.1 percent over the prior year. Most of the increase was due to Highway and improvements and Parks. During the year there were some major road work that was being completed as well as a pickleball court.

HOOPER CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025

Business-type activities:

For the year ended June 30, 2025, the total revenues for the business-type activities were \$3,283,764. This is an increase of \$494,534 or 17.73 percent over the prior year. Program revenues total \$3,085,899. The majority of the revenue is from operating grants in the enterprise funds. The general revenues in the business-type activities consist of \$197,865 in interest. This increase of interest is attributable to the increase in interest rates for the year and the allocation of interest among accounts. The expenditures for the business-type activities increased by \$286,406 or 12.8 percent which is mostly due to an increase in maintenance expenses in the sewer department and the increase in fees.

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

	Governmental Activities		Business-Type Activities		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Program revenues:						
Charges for services	\$ 533,283	\$ 631,903	\$ 2,731,652	\$ 2,147,567	\$ 3,264,935	\$ 2,779,470
Operating grants	795,852	715,352	217,535	274,287	1,013,387	989,639
Capital grants and contributions	2,264,586	2,939,487	136,712	305,596	2,401,298	3,245,083
General revenues:						
Taxes	2,566,021	2,400,361	-	-	2,566,021	2,400,361
Interest	344,850	496,311	197,865	61,780	542,715	558,091
Miscellaneous	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Total revenues	<u>6,504,592</u>	<u>7,183,414</u>	<u>3,283,764</u>	<u>2,789,230</u>	<u>9,788,356</u>	<u>9,972,644</u>
Expenses:						
General government	482,654	534,898	-	-	482,654	534,898
Recreation	111,460	93,473	-	-	111,460	93,473
Cemetery	44,985	-	-	-	44,985	-
Highway and improvements	1,601,005	845,512	-	-	1,601,005	845,512
Parks	822,115	761,525	-	-	822,115	761,525
Public safety	802,673	751,175	-	-	802,673	751,175
Inspections	200,102	237,924	-	-	200,102	237,924
Utility	-	-	-	2,258,452	-	2,258,452
Sewer	-	-	1,698,281	-	1,698,281	-
Garbage	-	-	712,091	-	712,091	-
Storm Water	-	-	117,420	-	117,420	-
Total expenses	<u>4,064,994</u>	<u>3,224,507</u>	<u>2,527,792</u>	<u>2,258,452</u>	<u>6,592,786</u>	<u>5,482,959</u>
Change in net position	<u>2,439,598</u>	<u>3,958,907</u>	<u>755,972</u>	<u>530,778</u>	<u>3,195,570</u>	<u>4,489,685</u>
Beginning net position-restated	<u>30,564,986</u>	<u>26,606,079</u>	<u>11,574,510</u>	<u>11,043,732</u>	<u>42,139,496</u>	<u>37,649,811</u>
Ending net position	<u>\$ 33,004,584</u>	<u>\$ 30,564,986</u>	<u>\$ 12,330,482</u>	<u>\$ 11,574,510</u>	<u>\$ 45,335,066</u>	<u>\$ 42,139,496</u>

HOOPER CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025

Budgetary Highlights

Over the course of the year, the City Council revised the budget to make modifications to accommodate unexpected expenditures and revenues. In total, the general fund's expenditures were \$996,847 less than was budgeted. In total, the actual revenues in the general fund were \$10,901 above the final budgeted amounts.

Capital Assets

At June 30, 2025 the City had \$39,857,775 invested in capital assets, including park and recreation facilities, buildings, roads, and sewer infrastructure. This amount represents a net increase (additions, deductions, and depreciation) of \$1,117,983 or 2.9 percent over last year.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 1,656,581	\$ 1,656,581	\$ 170,498	\$ 170,498	\$ 1,827,079	\$ 1,827,079
Construction in progress	-	-	-	-	-	-
Water shares	71,000	71,000	-	-	71,000	71,000
Buildings	1,475,411	1,412,978	1,589,300	1,589,300	3,064,711	3,002,278
Infrastructure	26,709,860	24,319,203	17,194,184	17,179,184	43,904,044	41,498,387
Land improvements	4,768,851	4,768,851	-	-	4,768,851	4,768,851
Machinery & equipment	1,207,567	1,144,342	3,702,054	3,702,054	4,909,621	4,846,396
Subtotal	35,889,270	33,372,955	22,656,036	22,641,036	58,545,306	56,013,991
Accum. deprecations	(10,199,199)	(9,323,821)	(8,473,332)	(7,950,378)	(18,672,531)	(17,274,199)
Capital assets, net	<u>\$ 25,690,071</u>	<u>\$ 24,049,134</u>	<u>\$ 14,182,704</u>	<u>\$ 14,690,658</u>	<u>\$ 39,872,775</u>	<u>\$ 38,739,792</u>

The most significant additions to capital assets in the governmental activities were \$2,390,657 for the work on the 5500 West road improvements.

Long-term Debt

Long-term debt consisted of the following at June 30, 2025 and 2024:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Impact fee payable	\$ -	\$ -	\$ 29,812	\$ 29,812	\$ 29,812	\$ 29,812
Loan - water quality grant	-	-	6,550,000	6,980,000	6,550,000	6,980,000
Compensated absences	141,855	121,056	55,887	46,277	197,742	167,333
Net pension liability	78,424	65,497	25,159	22,007	103,583	87,504
Total	<u>\$ 220,279</u>	<u>\$ 186,553</u>	<u>\$6,660,858</u>	<u>\$ 7,078,096</u>	<u>\$ 6,881,137</u>	<u>\$ 7,264,649</u>

HOOPER CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2025

When sewer impact fees are paid by developers or prospective home owners, one-half of that impact fee becomes a liability to the city, and is payable to the developers as sewer lift stations are completed. At June 30, 2025, the amount of projected impact fees owed to developers was \$29,812 for the Freedom lift stations, having paid \$0 to developers in 2025.

During 2005, the city received authorization for a \$10,000,000 loan at 0% interest from the Utah State Division of Water Quality. That authorization was increased to \$12,000,000 in 2006, with an additional \$1,000,000 received in October, 2010 to cover additional expenses during the construction of the sewer system. On October 1, 2023, an annual loan payment of \$430,000 was made, leaving a balance owing of \$6,550,000, with \$435,000 due on October 1, 2025.

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City's Treasurer, 5580 West 4600 South, Hooper, UT 84315.

BASIC FINANCIAL STATEMENTS

HOOPER CITY
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 6,029,584	\$ 3,976,653	\$ 10,006,237
Restricted cash	2,585,103	922,500	3,507,603
Accounts receivable (net)	56,784	4,900	61,684
Due from other governments	804,974	-	804,974
Prepaid expenses	37,600	4,800	42,400
Inventory	-	51,980	51,980
Capital assets, net of depreciation			
Land	1,656,581	170,498	1,827,079
Construction in progress	-	-	-
Water shares	71,000	-	71,000
Buildings	945,096	893,980	1,839,076
Improvements	3,064,106	-	3,064,106
Infrastructure	19,866,178	11,097,695	30,963,873
Machinery and equipment	87,110	2,020,531	2,107,641
Total capital assets, net	<u>25,690,071</u>	<u>14,182,704</u>	<u>39,872,775</u>
Total assets	<u>35,204,116</u>	<u>19,143,537</u>	<u>54,347,653</u>
Deferred outflows of resources			
Deferred outflows of resources - pensions	<u>113,819</u>	<u>47,569</u>	<u>161,388</u>
Total assets and deferred outflows of resources	<u>35,317,935</u>	<u>19,191,106</u>	<u>54,509,041</u>
Liabilities			
Accounts payable	852,321	195,069	1,047,390
Accrued liabilities	141,580	-	141,580
Deposits and bonds	573,775	4,580	578,355
Noncurrent liabilities:			
Due in less than one year	-	435,000	435,000
Due in more than one year	<u>220,279</u>	<u>6,225,858</u>	<u>6,446,137</u>
Total liabilities	<u>1,787,955</u>	<u>6,860,507</u>	<u>8,648,462</u>
Deferred inflows of resources			
Unavailable revenues - property taxes	263,095	-	263,095
Unearned revenues - Tomato Days	69,917	-	69,917
Unearned revenues - grant funding	190,718	-	190,718
Deferred inflows of resources - pensions	<u>1,666</u>	<u>117</u>	<u>1,783</u>
Total liabilities and deferred inflows of resources	<u>2,313,351</u>	<u>6,860,624</u>	<u>9,173,975</u>
NET POSITION			
Net investment in capital assets	25,690,071	7,602,892	33,292,963
Restricted for:			
Class "C" roads	1,218,570	-	1,218,570
Local option transit	1,366,533	-	1,366,533
Impact fees	101,404	-	101,404
Loan servicing	-	322,500	322,500
Sewer replacement	-	600,000	600,000
Unrestricted	<u>4,628,006</u>	<u>3,805,090</u>	<u>8,433,096</u>
Total net position	<u>\$ 33,004,584</u>	<u>\$ 12,330,482</u>	<u>\$ 45,335,066</u>

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

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

		Program Revenues			Changes in Net Position		
		Charges for	Operating	Capital Grants	Governmental	Business-type	Total
	Expenses	Services	Grants and Contributions	and Contributions	Activities	Activities	
Functions/Programs							
Governmental activities							
General government	\$ 482,654	\$ 287,731	\$ 9,398	\$ -	\$ (185,525)	\$ -	\$ (185,525)
Public safety	802,673	20,431	-	-	(782,242)	-	(782,242)
Recreation	111,460	76,647	-	-	(34,813)	-	(34,813)
Cemetery	44,985	78,875	-	-	33,890	-	33,890
Highways and public improvements	1,601,005	11,460	786,454	2,037,231	1,234,140	-	1,234,140
Parks	822,115	11,912	-	227,355	(582,848)	-	(582,848)
Inspections	200,102	46,227	-	-	(153,875)	-	(153,875)
Total governmental activities	4,064,994	533,283	795,852	2,264,586	(471,273)	-	(471,273)
Business-type activities							
Sewer	1,698,281	1,830,803	52,154	136,712	-	321,388	321,388
Garbage	712,091	726,654	-	-	-	14,563	14,563
Storm Water	117,420	174,195	165,381	-	-	222,156	222,156
Total business-type activities	2,527,792	2,731,652	217,535	136,712	-	558,107	222,156
Total government	\$ 6,592,786	\$ 3,264,935	\$ 1,013,387	\$ 2,401,298	(471,273)	558,107	(249,117)
General revenues:							
Taxes							
Property					285,713	-	285,713
Sales and use					1,794,138	-	1,794,138
Franchise tax					48,549	-	48,549
Utility tax					411,360	-	411,360
Telecommunications tax					26,261	-	26,261
Interest and investment earnings					344,850	197,865	542,715
Total general revenues and transfers					2,910,871	197,865	3,108,736
Change in net position					2,439,598	755,972	3,195,570
Net position at beginning of year, restated					30,564,986	11,581,966	42,146,952
Net position at end of year					\$ 33,004,584	\$ 12,337,938	\$ 45,342,522

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

**HOOPER CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2025**

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash	\$ 1,116,403	\$ 4,913,181	\$ 6,029,584
Restricted cash	2,585,103	-	2,585,103
Accounts receivable	56,584	200	56,784
Prepaid expenses	37,600	-	37,600
Due from other governments	804,974	-	804,974
TOTAL ASSETS	\$ 4,600,664	\$ 4,913,381	\$ 9,514,045
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 466,285	386,036	\$ 852,321
Accrued liabilities	141,580	-	141,580
Deposits and bonds	573,775	-	573,775
TOTAL LIABILITIES	1,181,640	386,036	1,567,676
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - Property taxes	263,095	-	263,095
Unearned revenues - Tomato Days	69,917	-	69,917
Unearned revenues - Grant Funding	-	190,718	190,718
TOTAL DEFERRED INFLOWS OF RESOURCES	333,012	190,718	523,730
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,514,652	576,754	2,091,406
FUND BALANCES			
Nonspendable	37,600	-	37,600
Restricted for:			
Class C roads	1,218,570	-	1,218,570
Local option transit	1,366,533	-	1,366,533
Park impact fees	-	101,404	101,404
Assigned:			
Capital projects	-	4,235,223	4,235,223
Emergency preparedness	21,900	-	21,900
Unassigned	441,409	-	441,409
TOTAL FUND BALANCES	3,086,012	4,336,627	7,422,639
TOTAL LIABILITIES, DEFERRED OUTFLOWS AND FUND BALANCES	\$ 4,600,664	\$ 4,913,381	\$ 9,514,045

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

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

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

Total fund balances-total governmental funds	\$ 7,422,639
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the fund fund financial statements.	25,690,071
Deferred outflows of resources, a consumption of net position that applies to future periods, is not shown in the fund statements.	113,819
Deferred inflows of resources, a use of net position that applies to future periods, is not shown in the fund statements.	(1,666)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements. Those liabilities consist of:	
Net pension liability	(78,424)
Compensated Absences	<u>(141,855)</u>
Net position of governmental activities	<u><u>\$ 33,004,584</u></u>

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

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

	General	Capital Projects	Total Governmental Funds
REVENUES			
Taxes	\$ 2,733,837	\$ -	\$ 2,733,837
Licenses and permits	303,377	-	303,377
Intergovernmental	638,036	1,987,070	2,625,106
Charges for services	95,835	-	95,835
Grants	-	227,355	227,355
Other revenues	122,611	11,460	134,071
Impact fees	-	40,161	40,161
Total revenues	3,893,696	2,266,046	6,159,742
EXPENDITURES			
Current operating:			
General government	526,251	-	526,251
Public safety	802,017	-	802,017
Recreation	111,460	-	111,460
Cemetery	17,804	-	17,804
Highways and public improvements	879,709	-	879,709
Parks	603,870	1,302	605,172
Inspections	197,847	-	197,847
Capital outlay			
General government	-	-	-
Public safety	-	-	-
Highways and public improvements	-	2,529,575	2,529,575
Parks	-	-	-
Total expenditures	3,138,958	2,530,877	5,669,835
Excess of revenues over (under) expenditures	754,738	(264,831)	489,907
OTHER FINANCING SOURCES (USES)			
Interest Income	231,940	112,910	344,850
Transfers-in	-	935,143	935,143
Transfers-out	(935,143)	-	(935,143)
Total other financing sources (uses)	(703,203)	1,048,053	344,850
Net change in fund balances	51,535	783,222	834,757
Fund balances at beginning of year	3,034,477	3,553,405	6,587,882
Fund balances at end of year	\$ 3,086,012	\$ 4,336,627	\$ 7,422,639

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

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

Net change in fund balance, total governmental funds \$ 834,757

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

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

Capital Outlays	2,516,315	
Depreciation Expense	<u>(875,378)</u>	1,640,937

The Statement of Activities includes the net pension benefit (expense) from the adoption of GASB 68, which is not included in the fund financial statements. (15,297)

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. In the current year, such an amount was:

Net change of Compensated Absences	<u>(20,799)</u>
------------------------------------	-----------------

Change in net position of governmental activities \$ 2,439,598

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

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HOOPER CITY
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	<u>Sewer</u>	<u>Garbage</u>	<u>Storm Water</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash	\$ 2,824,292	\$ 263,591	\$ 888,770	\$ 3,976,653
Accounts receivable (net)	4,440	460	-	4,900
Prepaid expenses	4,800	-	-	4,800
Inventory	51,980	-	-	51,980
Total current assets	<u>2,885,512</u>	<u>264,051</u>	<u>888,770</u>	<u>4,038,333</u>
Noncurrent assets:				
Restricted cash	922,500	-	-	922,500
Capital assets:				
Land	170,498	-	-	170,498
Infrastructure	17,058,300	-	135,884	17,194,184
Buildings	1,589,300	-	-	1,589,300
Machinery and equipment	3,702,054	-	-	3,702,054
Less accumulated depreciation	(8,449,552)	-	(23,780)	(8,473,332)
Total capital assets, net	<u>14,070,600</u>	<u>-</u>	<u>112,104</u>	<u>14,182,704</u>
Total noncurrent assets	<u>14,993,100</u>	<u>-</u>	<u>112,104</u>	<u>15,105,204</u>
Total assets	<u>17,878,612</u>	<u>264,051</u>	<u>1,000,874</u>	<u>19,143,537</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources relating to pensions	47,569	-	-	47,569
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 17,926,181</u>	<u>\$ 264,051</u>	<u>\$ 1,000,874</u>	<u>\$ 19,191,106</u>

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

HOOPER CITY
STATEMENT OF NET POSITION (continued)
PROPRIETARY FUND
JUNE 30, 2025

	<u>Sewer</u>	<u>Garbage</u>	<u>Storm Water</u>	<u>Total</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 86,789	\$ 95,614	\$ 12,666	195,069
Customer deposits	4,580	-	-	4,580
Current portion of long-term debt	435,000	-	-	435,000
Total current liabilities	526,369	95,614	12,666	634,649
Noncurrent liabilities:				
Compensated absences	44,041	1,293	10,553	55,887
Impact fees payable-more than a year	29,812	-	-	29,812
Note payable - in more than a year	6,115,000	-	-	6,115,000
Net pension liability	24,972	27	160	25,159
Total noncurrent liabilities	6,213,825	1,320	10,713	6,225,858
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources relating to pensions	117	-	-	117
TOTAL LIABILITIES AND DEFERRED INFLOWS	6,740,311	96,934	23,379	6,860,624
NET POSITION				
Net investment in capital assets	7,490,788	-	112,104	7,602,892
Restricted for:				-
UDWQ loan servicing	322,500	-	-	322,500
Sewer replacement	600,000	-	-	600,000
Impact fees	-	-	-	-
Unrestricted	2,772,582	167,117	865,391	3,805,090
Total net position	11,185,870	167,117	977,495	12,330,482
Total liabilities, deferred inflows and net position	\$ 17,926,181	\$ 264,051	\$ 1,000,874	\$ 19,191,106

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

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

	Sewer	Garbage	Storm Water	Total
Operating revenues:				
Charges for services	\$ 1,830,803	\$ 726,654	\$ 174,195	\$ 2,731,652
Total operating revenues	1,830,803	726,654	174,195	2,731,652
Operating expenses:				
Salaries & benefits	220,837	-	14,433	235,270
Maintenance, supplies, & repairs	115,966	22,742	99,590	238,298
Professional & technical	88,167	-	-	88,167
Utilities	164,088	-	-	164,088
Depreciation	519,557	-	3,397	522,954
Other	59,308	-	-	59,308
Contract services	530,358	689,349	-	1,219,707
Total operating expenses	1,698,281	712,091	117,420	2,527,792
Operating income (loss)	132,522	14,563	56,775	203,860
Nonoperating revenues (expenses)				
Interest revenue	172,857	3,061	21,947	197,865
Impact fees	136,712	-	-	136,712
Grant revenue	52,154	-	165,381	217,535
Total nonoperating revenues (expenses)	361,723	3,061	187,328	552,112
Change in net position	494,245	17,624	244,103	755,972
Total net position - beginning (restated)	10,691,625	149,493	733,392	11,574,510
Total net position - ending	\$ 11,185,870	\$ 167,117	\$ 977,495	\$ 12,330,482

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

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HOOPER CITY
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Sewer</u>	<u>Garbage</u>	<u>Storm Water</u>	<u>Total</u>
Cash flows from operating activities				
Cash received from customers	\$ 1,820,211	\$ 726,194	\$ 174,195	\$ 2,720,600
Cash paid to suppliers	(967,891)	(720,259)	(99,590)	(1,787,740)
Cash paid to employees	(222,843)	1,293	(3,880)	(225,430)
Net cash provided (used) by operating activities	<u>629,477</u>	<u>7,228</u>	<u>70,725</u>	<u>707,430</u>
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(15,000)	-	-	(15,000)
Cash received from Grants	-	-	165,381	165,381
Impact fees collected	136,712	-	-	136,712
Payment on bonds	(430,000)	-	-	(430,000)
Net cash in capital and related financing activities	<u>(308,288)</u>	<u>-</u>	<u>165,381</u>	<u>(142,907)</u>
Cash flows from investing activities				
Interest on investments	<u>172,857</u>	<u>3,061</u>	<u>21,947</u>	<u>197,865</u>
Net cash provided by investing activities	<u>172,857</u>	<u>3,061</u>	<u>21,947</u>	<u>197,865</u>
Net increase (decrease) in cash	<u>494,046</u>	<u>10,289</u>	<u>258,053</u>	<u>762,388</u>
Cash - July 1	<u>3,252,746</u>	<u>253,302</u>	<u>630,717</u>	<u>4,136,765</u>
Cash - June 30	<u>\$ 3,746,792</u>	<u>\$ 263,591</u>	<u>\$ 888,770</u>	<u>\$ 4,899,153</u>
Cash at June 30				
Cash and cash equivalents	\$ 2,824,292	\$ 263,591	\$ 888,770	\$ 3,976,653
Restricted cash	922,500	-	-	922,500
Total cash and cash equivalents	<u>\$ 3,746,792</u>	<u>\$ 263,591</u>	<u>\$ 888,770</u>	<u>\$ 4,899,153</u>

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

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

	Sewer	Garbage	Storm Water	Total
Reconciliation of operating income (loss) to net				
Cash provided by operating activities				
Operating income (loss)	\$ 132,522	\$ 14,563	\$ 56,775	\$ 203,860
Adjustments to reconcile operating income (loss)				
to net cash provided by operating activities				
Depreciation	519,557	-	3,397	522,954
Changes in assets, liabilities, deferred				
outflows/inflows:				
Prepaid expenses	(2,833)	-	-	(2,833)
Accounts receivable	(4,440)	(460)	-	(4,900)
Accounts payable	(7,171)	(8,168)	-	(15,339)
Customer deposits	(6,152)	-	-	(6,152)
Compensated absences	(2,236)	1,293	10,553	9,610
Deferred outflows of resources				
relating to pensions	158	-	-	158
Deferred inflows of resources				
relating to pensions	(3,080)	-	-	(3,080)
Net pension liability	3,152	-	-	3,152
Net cash provided by operating activities	<u>\$ 629,477</u>	<u>\$ 7,228</u>	<u>\$ 70,725</u>	<u>\$ 707,430</u>

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

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

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

B. Reporting Entity

Hooper City Corporation was incorporated November 30, 2000 by the State of Utah. The City operates under a Mayor-Council form of government and provides the following services: public safety, highways and public improvements, community development, parks, sewer, and general administrative services.

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

1. Primary government.
2. Organizations that are fiscally dependent on the primary government
3. Other organizations that, because of the nature and significance of their relationship with the primary government, exclusion from the reporting entity would render the financial statements misleading.

Blended component units, although legally separate entities, are, in substance, part of the government's operations. They are reported as part of the primary government and blended with the appropriate funds. The city has no component units.

C. Basic Financial Statements

The City's basic financial statements consist of the government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

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

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

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statements (continued)

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

Fund Financial Statements

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

D. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Separate statements are provided for governmental and proprietary funds. For governmental and proprietary funds, the emphasis on major funds, with each displayed in a separate column.

The following fund types are used by the City:

Governmental Funds:

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

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

Capital Projects Fund accumulates funds over time for the long-term capital projects of governmental type acquisition and expansion.

Proprietary Funds:

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

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Accounting (continued)

Proprietary Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. During this fiscal year the City determined it was time to break the Utility Fund into three funds.

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

Sewer Fund – This fund accounts for the operations of the City's sanitary sewer system. It is reported as a major enterprise fund.

Garbage Fund- This fund accounts for the operations of the City's garbage services. It is reported as a major enterprise fund.

Storm Water- This fund accounts for the operations of the City's storm water system. It is reported as a major enterprise fund.

E. Measurement Focus/Basis of Accounting

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

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

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

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

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

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

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities and Equity

Deposits and Investments

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

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Restricted Assets

Certain resources set aside as reserves in accordance with state statutes, grant requirements, or debt covenants are classified as restricted assets because their use is limited.

Receivables and Payables

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

Inventories and Prepaid Items

The city carries inventory in sewer pits recorded in the Utility Fund at historical cost. No other significant inventories are maintained by the city.

Capital Assets

Capital assets which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds.

All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements	25
Equipment	5-7
Infrastructure	40

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities and Equity (continued)

Fund Financial Statements

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

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay and sick leave are accrued when incurred and are reported as a liability. Amounts not expected to be liquidated with expendable available financial resources are reported in the Statement of Net Position as a noncurrent liability.

Pensions

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

Long-term Liabilities

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

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

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

Deferred Inflows and Outflows of Resources

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

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities and Equity (continued)

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

Equity Classifications

Government-wide Statements

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

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

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

Fund Statements

The City has adopted GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions. The statement applies only to fund financial statements and not to government-wide statements or proprietary fund statements. Proprietary fund equity is classified the same as in the government-wide statements. The fund balances may be classified as follows:

- a. Non-spendable – Fund balances that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted fund balance – Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, by law through constitutional provisions or enabling legislation, or restrictions set by creditors, grantors, or contributors.

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities and Equity (continued)

- c. Committed fund balance – Fund balances are reported as committed when the Council formally designates the use of resources by ordinance or resolution for a specific purpose and cannot be used for any other purpose unless the City Council likewise formally changes the use.
- d. Assigned fund balance – Fund balances are reported as assigned when the City Council or Management intends to use funds for a specific purpose. Normally funds are assigned by the appropriation process of setting the budget. Additionally, funds in special revenue, debt service, and capital project funds are by their nature assigned to the purpose of those respective funds.
- e. Unassigned fund balance – Fund balances in the general fund are reported as unassigned when they are neither restricted, committed, nor assigned. They may be used for any governmental purpose.

Fund Statements

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

G. Revenues and Expenditures

Interfund Transactions

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

All other interfund transactions, except quasi-external transactions and reimbursement, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as non-operating transfers.

Property Tax

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

Operating Revenues and Expenses

Operating revenues and expenses in the proprietary funds consist of those revenues that result from the ongoing principal operations of the City. Operating revenues consist of charges for services. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing type activities and result from nonexchange transactions or ancillary activities. Capital asset acquisitions are reported as expenditures, and proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Information

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

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

1. The City Council can amend the budget to any extent, provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance.
2. Budgets are required by the State of Utah for the General, Proprietary, and Capital Project Funds.
3. Each year the City publishes a separate budget document prepared according to this legal level of control.
4. The City's budget is a Financial Plan of all estimated revenues and all appropriations for expenditures. Revenues and Expenditures must balance for the funds required by the State Code as indicated in item 2 above.
5. A tentative budget is presented by the Mayor to the City Council by the first regularly scheduled council meeting in May. The tentative budget is reviewed and tentatively adopted by the Council no later than June 22.
6. The tentative budget is public record and is available for inspection at the City offices for at least ten days prior to adoption of the final budget.
7. Notice of public hearing on adoption of the final budget is published seven days prior to the public hearing.
8. The public hearing on the tentatively adopted budget is held no later than June 22. Final adjustments are made to the tentative budget by the council after the public hearing.
9. Occasionally the City Council will exercise their option to open the budget to indicate additional financing sources that become available.
10. The final budget is adopted by ordinance before June 22 and a copy of the budget certified by the Budget Officer is filed with the State Auditor within thirty days of adoption.
11. In connection with budget adoption:
 - a. An annual tax ordinance establishing the property tax rate is adopted before June 22.
 - b. The City Treasurer is to certify the property tax rate to the County Auditor before June 22.
12. Budgets for the General and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Fund Equity Restrictions

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

NOTE 3 DEPOSITS AND INVESTMENTS

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

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

The Act defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the Federal government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Deposits

Custodial credit risk – Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of June 30, 2025, \$1,390,069 of the City's bank balances of \$1,640,069 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.

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

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

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 using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

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

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

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Investments by fair value level				
Debt securities:				
Utah Public Treasurer's Investment Fund	\$ 12,041,214	\$ -	\$ 12,041,214	\$ -
Total debt securities	\$ 12,041,214	\$ -	\$ 12,041,214	\$ -

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 year end fair value factor, as calculated by the Utah State Treasurer, to the City’s actual PTIF balance is immaterial, therefore actual value is used.

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 manages its exposure to declines in fair value by investing mainly in the Utah Public Treasurers Investment Fund and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

The Act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less. Maturities of the City's investments are noted in the previous table.

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.

On June 30, 2025, the City's investments had the following quality rating:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
PTIF Investments	12,041,214	-	-	-	12,041,214
	12,041,214	-	-	-	12,041,214

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar held in the portfolio. The City's investment in the Utah Public Treasurer's Investment Fund has no concentration of credit risk.

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

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

Components of cash and investments (including interest earning deposits) at June 30, 2025, are as follows:

Cash on hand and on deposit:	
Cash on deposit	\$ 1,472,297
Petty cash	329
PTIF investment	12,041,214
Total cash and investments	<u>\$ 13,513,840</u>

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

Cash	\$ 9,877,565
Restricted Cash	3,636,275
Total cash and investments	<u>\$ 13,513,840</u>

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS

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

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Sewer</u>	<u>Garbage</u>	<u>Storm Water</u>	<u>Total</u>
Receivables:						
Individual accounts	\$ -	\$ -	\$ 14,189	\$ 460	\$ -	\$ 14,649.00
Sales tax	325,299	-	-	-	-	325,299
Local option transit	30,910	-	-	-	-	30,910
Telecommunication tax	6,404	-	-	-	-	6,404
Franchise tax	25,390	-	-	-	-	25,390
Utility franchise	29,041	-	-	-	-	29,041
Property taxes – current	2,318	-	-	-	-	2,318
Property taxes – unavailable	263,095	-	-	-	-	263,095
Court fines	1,417	-	-	-	-	1,417
Class C roads	121,100	-	-	-	-	121,100
Grant receivables	56,584	200	-	-	-	56,784
TOTAL	861,558	200	14,189	460	-	876,407
Less: Allowance for uncollectibles	-	-	(9,749)	-	-	(9,749)
Net total receivables	<u>\$ 861,558</u>	<u>\$ 200</u>	<u>\$ 4,440</u>	<u>\$ 460</u>	<u>\$ -</u>	<u>\$ 866,658</u>
Statement of net position:						
Accounts receivable (net)	\$ 56,584	\$ 200	\$ 4,440	\$ 460	\$ -	\$ 61,684
Due from other governments	804,974	-	-	-	-	804,974
	<u>\$ 861,558</u>	<u>\$ 200</u>	<u>\$ 4,440</u>	<u>\$ 460</u>	<u>\$ -</u>	<u>\$ 866,658</u>

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets to the governmental activities follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Land	1,656,581	-	-	1,656,581
Water shares	71,000	-	-	71,000
Total capital assets, not being depreciated	1,727,581	-	-	1,727,581
Capital assets, being depreciated				
Buildings	1,412,978	62,433	-	1,475,411
Improvements - nonbuilding	4,768,851	-	-	4,768,851
Infrastructure	24,319,203	2,390,657	-	26,709,860
Machinery & equipment	1,144,342	63,225	-	1,207,567
Total capital assets, being depreciated	31,645,374	2,516,315	-	34,161,689
Accumulated depreciation for:				
Buildings	(487,936)	(42,379)	-	(530,315)
Improvements - nonbuilding	(1,494,938)	(209,807)	-	(1,704,745)
Infrastructure	(6,236,617)	(607,065)	-	(6,843,682)
Equipment	(1,104,330)	(16,127)	-	(1,120,457)
Total accumulated depreciation	(9,323,821)	(875,378)	-	(10,199,199)
Total capital assets, being depreciated, net	22,321,553	1,640,937	-	23,962,490
Governmental activities capital assets, net	<u>\$ 24,049,134</u>	<u>\$ 1,640,937</u>	<u>\$ -</u>	<u>\$ 25,690,071</u>

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

Governmental Activities:

General administration	\$ 15,339
Highways and public improvements	631,981
Parks	227,402
Public Safety	<u>656</u>
Total depreciation expense	<u>\$ 875,378</u>

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 CAPITAL ASSETS (CONTINUED)

A summary of changes in capital assets to the business-type activities follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 170,498	\$ -	\$ -	\$ 170,498
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>170,498</u>	<u>-</u>	<u>-</u>	<u>170,498</u>
Capital assets, being depreciated				
Buildings	1,589,300	-	-	1,589,300
Improvements - nonbuilding	-	-	-	-
Infrastructure	17,179,185	14,999	-	17,194,184
Machinery & equipment	<u>3,702,054</u>	<u>-</u>	<u>-</u>	<u>3,702,054</u>
Total capital assets, being depreciated	<u>22,470,539</u>	<u>14,999</u>	<u>-</u>	<u>22,485,538</u>
Accumulated depreciation for:				
Buildings and improvements	(655,587)	(39,733)	-	(695,320)
Improvements - nonbuilding	-	-	-	-
Infrastructure	(5,723,150)	(373,339)	-	(6,096,489)
Equipment	<u>(1,571,641)</u>	<u>(109,882)</u>	<u>-</u>	<u>(1,681,523)</u>
Total accumulated depreciation	<u>(7,950,378)</u>	<u>(522,954)</u>	<u>-</u>	<u>(8,473,332)</u>
Total capital assets, being depreciated, net	<u>14,520,160</u>	<u>(507,955)</u>	<u>-</u>	<u>14,012,206</u>
Business-type activities capital assets, net	<u><u>\$ 14,690,658</u></u>	<u><u>\$ (507,955)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,182,704</u></u>

Depreciation expense was charged to the proprietary funds as follows:

Business-type Activities:

Utility - Sewer	\$ 519,557
Utility - Storm Water	<u>3,397</u>
Total Depreciation Expense	<u><u>\$ 522,954</u></u>

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 INTERFUND TRANSFERS

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis. Resources are accumulated in a fund or component unit to support and simplify the administration of various projects or programs. There was a transfer of \$935,143 from the general fund to the capital projects fund as was budgeted for.

NOTE 7 LONG TERM LIABILITIES

The changes in long-term debt for Governmental-type activities during 2025 are as follows:

	Balance			Balance	Amounts due
Governmental activities:	June 30, 2024	Additions	Reductions	June 30, 2025	within one year
Net pension liability	\$ 65,497	\$ 12,927	\$ -	\$ 78,424	\$ -
Compensated absences	121,056	20,799	-	141,855	-
<i>Total governmental activities</i>	<u>\$ 186,553</u>	<u>\$ 33,726</u>	<u>\$ -</u>	<u>\$ 220,279</u>	<u>\$ -</u>

The change in long-term debt for Business-type activities during 2025 are as follows:

	Balance			Balance	Amounts due
Business-type activities:	June 30, 2024	Additions	Reductions	June 30, 2025	within one year
Loan - Water quality	\$ 6,980,000	\$ -	\$ (430,000)	\$ 6,550,000	\$ 435,000
Impact fee-notes payable	29,812	-	-	29,812	-
Compensated absences	46,277	9,610	-	55,887	-
Net pension liability	22,007	3,152	-	25,159	-
<i>Total Business-type Activities</i>	<u>\$ 7,078,096</u>	<u>\$ 12,762</u>	<u>\$ (430,000)</u>	<u>\$ 6,660,858</u>	<u>\$ 435,000</u>

The Hooper City sewer project received funding approval on September 2, 2004. The Utah Water Quality Board authorized a non-interest bearing loan of \$10,000,000, which was increased to \$12,000,000 and approved for disbursement on June 23, 2006. The City used those funds to substantially complete and place the wastewater system into operation during October, 2007. The City received an additional \$1,000,000 during FY2010 to fund additional costs. Principal payments, which began in 2010, are due on October 1 each year. The remaining balance of \$6,980,000 will be paid according to the repayment schedule below:

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 LONG TERM LIABILITIES (CONTINUED)

Annual requirements to amortize the long-term debt as of June 30, 2025 are as follows:

Year	DWQ Loan		
	Principal	Interest	Total
2026	\$ 435,000	\$ -	\$ 435,000
2027	440,000	-	440,000
2028	445,000	-	445,000
2029	450,000	-	450,000
2030	455,000	-	455,000
2031-2035	2,350,000	-	2,350,000
2036-2039	1,975,000	-	1,975,000
Total	<u>\$ 6,550,000</u>	<u>\$ -</u>	<u>\$ 6,550,000</u>

The City has a long-term liability in the amount of \$192,742 for total employee compensated absences. The compensated absence liability of governmental activities in the amount of \$141,855 is liquidated in the General Fund where the related employing department operates. The City also has a long-term liability in the amount of \$29,812 payable to residential developers for reimbursement of sewer lift station improvements. This liability is reduced as impact fee revenue is collected and developers are reimbursed per their contract with the City.

NOTE 8 RETIREMENT SYSTEM

General Information about the Pension Plan

Plan Description:

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

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

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

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

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 RETIREMENT SYSTEM (CONTINUED)

Benefits Provided:

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

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

* 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.

Contributions:

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

System	Employee Paid	Employer Contribution Rates	Employer rate for 401(k) Plan
Contributory System			
111 - Local Government Division Tier 2	0.7	15.19%	N/A
Noncontributory System			
15 - Local Government Division Tier 1	N/A	16.97%	N/A
Tier 2 DC Only			
211 - Local Government	N/A	5.19%	10.00%

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

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 RETIREMENT SYSTEM (CONTINUED)

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

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 29,808	\$ -
Tier 2 Public Employees System	\$ 75,344	\$ -
Tier 2 DC Public Employees Plan	\$ 4,466	\$ -
Total Contributions	\$ 109,618	\$ -

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

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

At June 30, 2025 we reported a net pension asset of \$0 and a net pension liability of \$103,583.

	(Measurement Date): December 31, 2024				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2023	Change (Decrease)
Noncontributory System	\$ -	\$ 75,346	0.0237601%	0.0252141%	0.0014540%
Tier 2 Public Employees System	-	28,237	0.0094678%	0.0149087%	0.0054409%
Total Net Pension Asset/Liability	<u>\$ -</u>	<u>\$ 103,583</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 the Systems during the plan year over the total of all employer contributions to the System during the plan year.

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 RETIREMENT SYSTEM (CONTINUED)

For the year ended June 30, 2025, we recognized pension expense of \$99,342.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 57,102	\$ 195
Changes in assumptions	15,663	3
Net difference between projected and actual earnings on pension plan investments	24,500	-
Changes in proportion and differences between contributions and proportionate share of contributions	6,020	1,585
Contributions subsequent to the measurement date	58,102	-
Total	<u>\$ 161,388</u>	<u>\$ 1,783</u>

\$58,102 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2025	\$ 46,574
2026	46,773
2027	(6,913)
2028	1,073
2029	6,369
Thereafter	\$ 7,627

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 RETIREMENT SYSTEM (CONTINUED)

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

For the year ended June 30, 2025, we recognized pension expense of \$68,354.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 44,895	\$ -
Changes in assumptions	6,233	-
Net difference between projected and actual earnings on pension plan investments	22,695	-
Changes in proportion and differences between contributions and proportionate share of contributions	270	212
Contributions subsequent to the measurement date	14,839	-
Total	<u>\$ 88,932</u>	<u>\$ 212</u>

\$14,839 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2025	\$ 43,170
2026	41,602
2027	(9,209)
2028	(1,682)
2029	-
Thereafter	\$ -

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 RETIREMENT SYSTEM (CONTINUED)

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

For the year ended June 30, 2025, we recognized pension expense of \$30,988.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,207	\$ 195
Changes in assumptions	9,431	3
Net difference between projected and actual earnings on pension plan investments	1,805	-
Changes in proportion and differences between contributions and proportionate share of contributions	5,750	1,374
Contributions subsequent to the measurement date	43,263	-
Total	<u>\$ 72,456</u>	<u>\$ 1,572</u>

\$43,263 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2025	\$ 3,403
2026	5,171
2027	2,296
2028	2,755
2029	6,369
Thereafter	\$ 7,627

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 RETIREMENT SYSTEM (CONTINUED)

Actuarial assumptions:

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

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

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from 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 an actuarial experience study for the period ended December 31, 2022.

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

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

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

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 RETIREMENT SYSTEM (CONTINUED)

Discount Rate:

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

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

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

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.95%)
Noncontributory System	\$ 318,652	\$ 75,346	\$ (128,709)
Tier 2 Public Employees System	84,336	28,237	(15,403)
Total	\$ 402,988	\$ 103,583	\$ (144,112)

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 sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

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

*401(k) Plan

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

401(k) Plan	2025	2024	2023
Employer Contributions	\$ 7,875	\$ 12,820	\$ 7,831
Employee Contributions	\$ 1,045	\$ 2,580	\$ 2,890

HOOPER CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

NOTE 10 CHANGE IN ACCOUNTING PRINCIPLE- COMPENSATED ABSENCES

The City has implemented Government Accounting Standards Board (GASB) statement 101, Compensated Absences. The objective of this statement is to better meet the financial needs of the user by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Upon evaluation of the new standard the beginning balance of Net Position and Compensated Absences were adjusted as follows:

	Governmental Activities	
	Net Position	Compensated Absences
Original Balance June 30, 2024	30,604,555	81,487
Restated for GASB 101	(39,569)	39,569
Restated balance at June 30, 2024	<u>30,564,986</u>	<u>121,056</u>

	Business Type Activities	
	Net Position	Compensated Absences
Original Balance June 30, 2024	\$11,591,576	\$ 29,211
Restated for GASB 101	(17,066)	17,066
Restated balance at June 30, 2024	<u>\$11,574,510</u>	<u>\$ 46,277</u>

NOTE 11 SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 23, 2026 which is that date the financial statements were available to be issued.

**REQUIRED
SUPPLEMENTARY INFORMATION**

HOOPER CITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with final budget favorable (unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property tax	\$ 260,000	\$ 260,000	285,713	\$ 25,713
Sales and use tax	1,620,000	1,620,000	1,794,138	174,138
Franchise tax	57,400	57,400	48,549	(8,851)
Utility tax	480,000	480,000	411,360	(68,640)
Telecommunications	24,500	24,500	26,261	1,761
Tranist Tax	152,000	152,000	167,816	15,816
	<u>2,593,900</u>	<u>2,593,900</u>	<u>2,733,837</u>	<u>139,937</u>
Licenses and Permits:				
Business licenses and permits	14,000	14,000	16,713	2,713
Non-business licenses and permits	67,265	67,265	78,309	11,044
Building structures and equipment	173,800	173,800	208,355	34,555
	<u>255,065</u>	<u>255,065</u>	<u>303,377</u>	<u>48,312</u>
Intergovernmental:				
Class C roads	500,000	500,000	618,638	118,638
Grants	-	10,000	10,000	-
Other Intergovernmental	6,145	6,145	9,398	3,253
	<u>506,145</u>	<u>516,145</u>	<u>638,036</u>	<u>121,891</u>
Charges for Services:				
Zoning and subdivision fees	100,000	20,000	5,048	(14,952)
Parks and public property	5,750	5,750	11,912	6,162
Cemetery lot revenues	36,000	48,000	63,150	15,150
Cemetery service revenues	34,000	10,000	15,725	5,725
	<u>175,750</u>	<u>83,750</u>	<u>95,835</u>	<u>12,085</u>
Other Revenues:				
Fines	18,800	18,800	20,431	1,631
Tomato Day receipts	83,500	83,500	76,647	(6,853)
Interest earnings	275,000	275,000	231,940	(43,060)
Other	500	20,000	25,533	5,533
	<u>377,800</u>	<u>397,300</u>	<u>354,551</u>	<u>(42,749)</u>
Total Revenues	<u>\$ 3,908,660</u>	<u>\$ 3,846,160</u>	<u>\$ 4,125,636</u>	<u>\$ 279,476</u>

(continued)

HOOPER CITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with final budget favorable (unfavorable)
	Original	Final		
Expenditures:				
General Government:				
Salaries and benefits	\$ 169,362	\$ 169,362	\$ 117,182	\$ 52,180
Legal and accounting	52,900	52,900	53,804	(904)
Executive	9,000	9,000	1,938	7,062
Legislative	16,200	16,200	11,473	4,727
Planning and zoning	9,000	9,000	5,631	3,369
Office	551,690	551,690	336,223	215,467
	<u>808,152</u>	<u>808,152</u>	<u>526,251</u>	<u>281,901</u>
Public Safety:				
Sheriff - public safety	755,900	755,900	678,275	77,625
Crossing guard	45,000	45,000	45,930	(930)
Animal control	77,100	77,100	77,812	(712)
	<u>878,000</u>	<u>878,000</u>	<u>802,017</u>	<u>75,983</u>
Recreation:				
Education and community promotion	20,500	14,500	10,354	4,146
Tomato Days	83,500	113,500	101,106	12,394
	<u>104,000</u>	<u>128,000</u>	<u>111,460</u>	<u>16,540</u>
Cemetery:				
Salaries and benefits	-	-	6,261	(6,261)
Repairs and maintenance	20,000	20,000	11,543	8,457
	<u>20,000</u>	<u>20,000</u>	<u>17,804</u>	<u>2,196</u>
Highways and public improvements:				
Salaries and benefits	300,604	300,604	207,729	92,875
Class C roads	502,000	502,000	481,258	20,742
Engineering	10,000	10,000	10,147	(147)
Other	76,490	76,490	165,075	(88,585)
Capital outlay	20,000	20,000	15,500	4,500
	<u>909,094</u>	<u>909,094</u>	<u>879,709</u>	<u>29,385</u>
Parks:				
Salaries and benefits	423,474	423,474	533,342	(109,868)
Repairs and maintenance	155,760	155,760	68,817	86,943
Capital outlay	30,000	30,000	1,711	28,289
	<u>609,234</u>	<u>609,234</u>	<u>603,870</u>	<u>5,364</u>

(continued)

HOOPER CITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with final budget favorable (unfavorable)
	Original	Final		
Community Development:				
Salaries and benefits	\$ 157,027	\$ 157,027	\$ 115,950	\$ 41,077
Contract services	80,000	80,000	80,550	(550)
Other	18,010	18,010	1,347	16,663
	<u>255,037</u>	<u>255,037</u>	<u>197,847</u>	<u>57,190</u>
Total Expenditures	<u>3,583,517</u>	<u>3,607,517</u>	<u>3,138,958</u>	<u>468,559</u>
Other financing sources (uses):				
Operating transfers (out)	(235,143)	(935,143)	(935,143)	-
Appropriations of fund balances	<u>(90,000)</u>	<u>696,500</u>	<u>-</u>	<u>696,500</u>
Total other financing sources (uses)	<u>(325,143)</u>	<u>(238,643)</u>	<u>(935,143)</u>	<u>696,500</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>51,535</u>	<u>51,535</u>
Fund balances at beginning of year	<u>3,034,477</u>	<u>3,034,477</u>	<u>3,034,477</u>	<u>-</u>
Fund balances at end of year	<u>\$ 3,034,477</u>	<u>\$ 3,034,477</u>	<u>\$ 3,086,012</u>	<u>\$ 51,535</u>

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

		Noncontributory System	Tier 2 Public Employees System
Proportion of the net pension liability (asset)	2025	0.0237601%	0.0094678%
	2024	0.0252141%	0.0149087%
	2023	0.0228926%	0.0147980%
	2022	0.0226924%	0.0144018%
	2021	0.0283559%	0.0201886%
	2020	0.0286128%	0.0219427%
	2019	0.0279846%	0.0206948%
	2018	0.0340083%	0.0180384%
	2017	0.0322549%	0.0155559%
	2016	0.0323220%	0.0122784%
Proportion share of the net pension liability (asset)	2025	\$ 75,346	\$ 28,237
	2024	\$ 58,486	\$ 29,018
	2023	\$ 39,209	\$ 16,113
	2022	\$ (129,962)	\$ (6,095)
	2021	\$ 14,545	\$ 2,904
	2020	\$ 107,838	\$ 4,935
	2019	\$ 206,071	\$ 8,863
	2018	\$ 149,001	\$ 1,590
	2017	\$ 207,116	\$ 1,735
	2016	\$ 182,894	\$ (27)
Covered employee payroll	2025	\$ 136,322	\$ 281,328
	2024	\$ 148,576	\$ 385,441
	2023	\$ 167,866	\$ 322,906
	2022	\$ 174,850	\$ 267,291
	2021	\$ 166,408	\$ 322,708
	2020	\$ 169,993	\$ 304,898
	2019	\$ 178,717	\$ 241,651
	2018	\$ 252,518	\$ 176,401
	2017	\$ 252,467	\$ 127,571
	2016	\$ 260,094	\$ 79,332
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2025	55.27%	10.04%
	2024	39.36%	7.53%
	2023	23.36%	4.99%
	2022	-74.3%	-2.28%
	2021	8.7%	0.90%
	2020	63.4%	1.62%
	2019	115.3%	3.67%
	2018	59.0%	0.90%
	2017	82.0%	1.36%
	2016	70.3%	-0.03%

See accompanying notes to required supplementary information
50 (continued)

HOOPER CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS (continued)
June 30, 2025
with a measurement date of December 31, 2024
Last 10 fiscal years*

Plan fiduciary net position as a percentage of the total pension liability	2025	96.0%	87.4%
	2024	96.9%	89.6%
	2023	97.5%	92.3%
	2022	108.7%	103.8%
	2021	99.2%	98.3%
	2020	93.7%	96.5%
	2019	87.0%	90.8%
	2018	91.9%	97.4%
	2017	87.3%	95.1%
	2016	87.8%	100.2%

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

See accompanying notes to required supplementary information
51 (continued)

HOOPER CITY
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
June 30, 2025
with a measurement date of December 31, 2024
Last 10 fiscal years*

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2016	48,533	48,533	-	263,070	18.45%
	2017	47,850	47,850	-	259,068	18.47%
	2018	40,652	40,652	-	224,490	18.11%
	2019	27,997	27,997	-	151,582	18.47%
	2020	36,020	36,020	-	195,016	18.47%
	2021	26,723	26,723	-	157,225	17.00%
	2022	21,378	21,378	-	165,779	12.90%
	2023	21,503	21,503	-	167,994	12.80%
	2024	25,404	25,404	-	148,002	17.16%
	2025	29,808	29,808	-	165,878	17.97%
Tier 2 Public Employees System*	2016	13,698	13,698	-	91,846	14.91%
	2017	22,462	22,462	-	150,652	14.91%
	2018	32,480	32,480	-	214,979	15.11%
	2019	41,601	41,601	-	267,952	15.53%
	2020	49,495	49,495	-	316,062	15.66%
	2021	46,763	46,763	-	295,968	15.80%
	2022	50,292	50,292	-	311,654	16.14%
	2023	56,741	56,741	-	354,504	16.01%
	2024	69,851	69,851	-	436,297	16.01%
	2025	75,344	75,344	-	471,551	15.98%
Tier 2 DC Public Employees System*	2023	4,422	4,422	-	71,432	6.19%
	2024	7,449	7,449	-	120,347	6.19%
	2025	4,466	4,466	-	72,152	6.19%

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

Tier 2 systems were created July 1, 2021.

Paragraph 81.b 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.

See accompanying notes to required supplementary information

HOOPER CITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
UTAH RETIREMENT SYSTEMS
FOR FISCAL YEAR ENDED JUNE 30, 2025

Changes in Assumptions:

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

AUDITOR'S REPORTS



GILBERT & STEWART
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hooper City (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 23, 2026.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gilbert & Stewart

GILBERT & STEWART, CPA PC
Provo, Utah
January 23, 2026



GILBERT & STEWART

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

To the Mayor and Members of the City Council
Hooper City
Hooper, Utah

REPORT ON COMPLIANCE

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

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

- Budgetary Compliance
- Fund Balance
- Restricted Taxes and Related Revenues
- Fraud Risk Assessment
- Government Fees
- Enterprise Fund Transfers
- Tax Levy Revenue Recognition
- Impact Fees
- Crime Insurance for Public Treasurers

Opinion on Compliance

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

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in

internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Purpose of this Report

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

Gilbert & Stewart

GILBERT & STEWART
Certified Public Accountants
Provo, UT
January 23, 2026