

Helper City

Financial Statements

For the year ending June 30, 2025

Table of Contents

Table of Contents	2
Independent Auditors' Report	3
Management Discussion and Analysis	5
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Reconciliations:	
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Fund Financial Statements:	
Balance Sheet—Governmental Funds	15
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds	16
Statement of Net Position—Proprietary Funds	17
Statement of Revenues, Expenses, and Changes in Fund Net Position—Proprietary Funds	18
Statement of Cash Flows—Proprietary Funds	19
Fiduciary Fund Statements:	
Net Position	20
Changes to Net Position	21
Notes to Financial Statements	22
Required Supplementary Information:	
General Fund Budget Comparison	42
MBA Special Revenue Fund Budget Comparison	43
Proportionate Share of Net Pension Liability	44
Schedule of Pension Contributions	45
Supplementary Information:	
Combining Balance Sheet Nonmajor Governmental Funds	47
Combining Revenue & Expense Statement Nonmajor Governmental Funds	48
Government Reports:	
Compliance and Control (Yellow Book) Report	50
Uniform Compliance Report on Each Major Program	51
Schedule of Expenditures of Federal Awards	53
Schedule of Single Audit Results, Finding and Questioned Costs	54
Utah State Legal Compliance Report	55

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Certified Public Accountants

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Independent Auditors' Report

City Council of Helper City, 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 Helper 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, the business-type activities, each major fund, and the aggregate remaining fund information of Helper City, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion, see 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise the City's basic financial statements. The budget comparison schedule is not a required part of the basic financial statements. The budget comparison 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, the budget comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Schedule of Expenditures of Federal Awards

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Helper City's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, the schedule of expenditures of federal awards 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 August 4, 2026, on our consideration of Helper 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 Helper City's internal control over financial reporting and compliance.

Aycock, Miles & Associates, CPAs

Roosevelt, Utah

August 4, 2026

Management's Discussion and Analysis

As management of the Helper City (the City), we offer readers of the City's financial statements this narrative overview and analysis of financial activities of the City for the fiscal year ended June 30, 2025.

Financial Highlights

- The City had \$15,191,796 in long-term debt at the closest year-end, an increase of \$574,000.
- Net position increased \$1,060,189 from the prior year.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activity of the City includes general administration, parks and recreation, roads, cemetery, police and fire department. The City's business-type activities include culinary water, sewer, electricity, and garbage funds.

Governmental-wide financial statements can be found as listed in the table of contents.

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

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

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

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue funds and the capital projects fund. The City considers the general fund and

the MBA special revenue fund to be major funds. The river restoration capital projects fund did not meet the quantitative criteria for a major fund in the current year and is reported with the nonmajor governmental funds.

Proprietary funds—Of the two types of proprietary funds, enterprise and internal service funds, the City maintains four individual enterprise funds: water, sewer, electric, and garbage funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Information is presented separately in the governmental fund balance sheet and the proprietary fund statement of revenues, expenditures, and changes in net position for both of these proprietary funds. The City considers the water, sewer and electric funds to be a major funds.

The City adopts an annual appropriated budget for all its funds. A budgetary comparison statement has been provided for the general fund and the major special revenue funds to demonstrate compliance with its budget.

The basic governmental fund financial statements can be found as listed in the table of contents.

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

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$25,879,355 at the close of the most recent fiscal year.

The City's net position has three components. Capital assets less any related debt used to acquire those assets that is still outstanding comprised 84% of total net position. Restricted assets comprise 5%. Unrestricted net position accounted for 10% of the City's total net position. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay any debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate any liabilities.

Net Assets	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current assets	\$ 1,202,575	\$ 1,137,506	\$ 2,578,881	\$ 1,961,831	\$ 3,781,456	\$ 3,099,337
Restricted cash	26,273	26,273	1,322,677	1,373,884	1,348,950	1,400,157
Net pension asset	-	-	-	-	-	-
Net capital assets	7,276,434	7,109,975	29,743,551	28,775,898	37,019,985	35,885,873
Deferred outflows of resources	142,557	163,498	53,803	57,883	196,360	221,381
Total assets & deferred outflows	8,647,839	8,437,252	33,698,912	32,169,496	42,346,751	40,606,748
Current liabilities	208,959	261,772	927,970	750,045	1,136,929	1,011,817
Long-term liabilities	1,256,240	834,771	13,787,867	13,657,540	15,044,107	14,492,311
Deferred inflows of resources	284,617	282,191	1,743	1,263	286,360	283,454
Total liabilities & deferred inflows	1,749,816	1,378,734	14,717,580	14,408,848	16,467,396	15,787,582
Net position:						
Capital assets, net of related debt	6,079,434	6,351,975	15,748,755	14,916,102	21,828,189	21,268,077
Restricted	26,273	26,273	1,322,677	1,523,709	1,348,950	1,549,982
Unrestricted	792,316	680,270	1,909,900	1,320,837	2,702,216	2,001,107
Total net position	\$ 6,898,023	\$ 7,058,518	\$18,981,332	\$17,760,648	\$ 25,879,355	\$ 24,819,166

Government activities— Key elements of the governmental activities and business-type activities are as follows.

	Governmental Activities		Business-type Activities		Total Primary Government	
Change in Net Assets	2025	2024	2025	2024	2025	2024
Program revenues:						
Charges for services	\$ 597,888	\$ 438,129	\$ 2,910,110	\$ 2,794,589	\$ 3,507,998	\$ 3,232,718
Operating grants	337,829	562,002	-	-	337,829	562,002
Capital grants	259,904	93,517	1,219,351	1,038,230	1,479,255	1,131,747
General revenues:					-	-
Property taxes	367,133	318,698	-	-	367,133	318,698
Gain (loss) on sale of assets	-	-	-	-	-	-
Sales & other taxes	574,183	627,268	-	-	574,183	627,268
Earnings on investments	45,087	30,522	113,960	112,767	159,047	143,289
Total revenues	2,182,024	2,070,136	4,243,421	3,945,586	6,425,445	6,015,722
Expenses:						
General government	327,411	281,331	-	-	327,411	281,331
Fire protection	225,916	211,414	-	-	225,916	211,414
Police and courts	821,241	748,425	-	-	821,241	748,425
Roads	382,810	452,298	-	-	382,810	452,298
Cemetery	16,241	14,313	-	-	16,241	14,313
Community & economic	33	173,352	-	-	33	173,352
Culture, recreation & parks	562,177	505,192	-	-	562,177	505,192
Water	-	-	1,332,913	1,336,154	1,332,913	1,336,154
Sewer	-	-	673,399	657,526	673,399	657,526
Electric	-	-	810,593	811,302	810,593	811,302
Garbage	-	-	205,832	186,851	205,832	186,851
Interest on long-term debt	6,690	16,490	-	-	6,690	16,490
Total expenses	2,342,519	2,402,815	3,022,737	2,991,833	5,365,256	5,394,648
Transfers:	-	350,000	-	(350,000)	-	-
Change in net assets	\$ (160,495)	\$ 17,321	\$ 1,220,684	\$ 603,753	\$ 1,060,189	\$ 621,074

Governmental activity revenues in total increased \$111,888 in comparison to the previous year. Business-type activity revenues increased \$297,835 in comparison with the prior year. Overall, governmental activity expenses decreased \$60,296 compared to the prior year. Business-type activity expenses increased \$30,904 in comparison to the prior year. Functional changes are noted in the chart above.

Financial Analysis of the Government's Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There are two types of funds: governmental funds and proprietary funds.

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

Proprietary funds—The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. See comparison the graph that follows.

Fiduciary Fund—The City's fiduciary fund holds \$74,331 cash and \$10,050 of land. There were no changes during the year.

Governmental Fund Comparison

	General Fund			MBA Special Revenue Fund			Other Governmental Funds			Total Governmental Funds		
	2025	2024	Change	2025	2024	Change	2025	2024	Change	2025	2024	Change
Assets												
Cash	439,018	598,096	(159,078)	71,594	(170,280)	241,874	206,560	210,947	(4,387)	717,172	638,763	78,409
Restricted cash	5,000	5,000	-	-	-	-	21,273	21,273	-	26,273	26,273	-
Receivables	475,317	489,813	(14,496)	10,086	8,930	1,156	-	-	-	485,403	498,743	(13,340)
Total assets	919,335	1,092,909	(173,574)	81,680	(161,350)	243,030	227,833	232,220	(4,387)	1,228,848	1,163,779	65,069
Liabilities												
Payables	50,997	84,921	(33,924)	-	35,959	(35,959)	-	-	-	50,997	120,880	(69,883)
Deferred grants	-	-	-	-	-	-	53,272	53,272	-	53,272	53,272	-
Deferred inflows	308,909	296,925	11,984	-	-	-	-	-	-	308,909	296,925	11,984
Total liabilities	359,906	381,846	(21,940)	-	35,959	(35,959)	53,272	53,272	-	413,178	471,077	(57,899)
Fund Balance												
Restricted	5,000	5,000	-	-	-	-	21,273	21,273	-	26,273	26,273	-
Assigned	-	-	-	81,680	(197,309)	278,989	7,605	7,675	(70)	89,285	(189,634)	278,919
Unassigned	554,429	706,063	(151,634)	-	-	-	145,683	150,000	(4,317)	700,112	856,063	(155,951)
Total fund balance	559,429	711,063	(151,634)	81,680	(197,309)	278,989	174,561	178,948	(4,387)	815,670	692,702	122,968
Total revenues	1,869,479	1,884,662	(15,183)	820,938	68,064	752,874	-	126,278	(126,278)	2,690,417	2,079,004	611,413
Total expenses	(2,021,113)	(2,115,574)	94,461	(541,951)	(412,899)	(129,052)	(4,387)	(165,592)	161,205	(2,567,451)	(2,694,065)	126,614
Operating transfers	-	280,800	(280,800)	-	19,200	(19,200)	-	50,000	(50,000)	-	350,000	(350,000)
Net change	(151,634)	49,888	(201,522)	278,987	(325,635)	604,622	(4,387)	10,686	(15,073)	122,966	(265,061)	388,027

Proprietary Funds Comparison

	Water Fund			Sewer Fund			Electric Fund			Garbage Fund			Total Enterprise Funds		
	2025	2024	Change	2025	2024	Change	2025	2024	Change	2025	2024	Change	2025	2024	Change
Current Assets															
Cash	604,447	124,301	480,146	345,767	281,604	64,163	838,750	575,045	263,705	102,422	98,664	3,758	1,891,386	1,079,614	811,772
Receivables	489,611	701,211	(211,600)	83,787	80,452	3,335	87,781	75,705	12,076	26,316	24,849	1,467	687,495	882,217	(194,722)
Total current	1,094,058	825,512	268,546	429,554	362,056	67,498	926,531	650,750	275,781	128,738	123,513	5,225	2,578,881	1,961,831	617,050
Noncurrent Assets															
Restricted cash	637,293	684,600	(47,307)	685,384	689,284	(3,900)	-	-	-	-	-	-	1,322,677	1,373,884	(51,207)
Net pension asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets, net	22,721,146	21,538,312	1,182,834	6,802,896	7,017,156	(214,260)	219,509	220,430	(921)	-	-	-	29,743,551	28,775,898	967,653
Deferred outflows	40,388	41,789	(1,401)	2,374	2,737	(363)	11,041	13,357	(2,316)	-	-	-	53,803	57,883	(4,080)
Total noncurrent	23,398,827	22,264,701	1,134,126	7,490,654	7,709,177	(218,523)	230,550	233,787	(3,237)	-	-	-	31,120,031	30,207,665	912,366
Total assets	24,492,885	23,090,213	1,402,672	7,920,208	8,071,233	(151,025)	1,157,081	884,537	272,544	128,738	123,513	5,225	33,698,912	32,169,496	1,529,416
Current Liabilities															
Payables	276,829	91,234	185,595	106,562	110,351	(3,789)	53,407	69,400	(15,993)	172	60	112	436,970	271,045	165,925
Current debt	258,000	253,000	5,000	233,000	226,000	7,000	-	-	-	-	-	-	491,000	479,000	12,000
Total current	534,829	344,234	190,595	339,562	336,351	3,211	53,407	69,400	(15,993)	172	60	112	927,970	750,045	177,925
Long-term Liabilities															
Debt	7,786,000	7,426,000	360,000	5,717,796	5,954,796	(237,000)	-	-	-	-	-	-	13,503,796	13,380,796	123,000
Other	230,422	262,459	(32,037)	349	254	95	-	216	(216)	-	-	-	230,771	262,929	(32,158)
Net pension liability	40,010	-	40,010	2,352	2,349	3	10,938	11,466	(528)	-	-	-	53,300	13,815	39,485
Deferred inflows	1,308	912	396	77	60	17	358	291	67	-	-	-	1,743	1,263	480
Total noncurrent	8,057,740	7,689,371	368,369	5,720,574	5,957,459	(236,885)	11,296	11,973	(677)	-	-	-	13,789,610	13,658,803	130,807
Total liabilities	8,592,569	8,033,605	558,964	6,060,136	6,293,810	(233,674)	64,703	81,373	(16,670)	172	60	112	14,717,580	14,408,848	308,732
Net Position (Equity)															
Capital assets less debt	14,677,146	13,859,312	817,834	852,100	836,360	15,740	219,509	220,430	(921)	-	-	-	15,748,755	14,916,102	832,653
Restricted	637,293	684,600	(47,307)	685,384	839,109	(153,725)	-	-	-	-	-	-	1,322,677	1,523,709	(201,032)
Unrestricted	585,877	512,696	73,181	322,588	101,954	220,634	872,869	582,734	290,135	128,566	123,453	5,113	1,909,900	1,320,837	589,063
Total net position	15,900,316	15,056,608	843,708	1,860,072	1,777,423	82,649	1,092,378	803,164	289,214	128,566	123,453	5,113	18,981,332	17,760,648	1,220,684
Total revenues	2,176,621	1,960,637	215,984	756,048	741,617	14,431	1,099,807	1,040,826	58,981	210,945	202,506	8,439	4,243,421	3,945,586	297,835
Total expenses	(1,332,913)	(1,336,154)	3,241	(673,399)	(657,526)	(15,873)	(810,593)	(811,302)	709	(205,832)	(186,851)	(18,981)	(3,022,737)	(2,991,833)	(30,904)
Operating transfers	-	-	-	-	-	-	-	(350,000)	350,000	-	-	-	-	(350,000)	350,000
Net change	843,708	624,483	219,225	82,649	84,091	(1,442)	289,214	(120,476)	409,690	5,113	15,655	(10,542)	1,220,684	603,753	616,931

Fund Budgetary Highlights

Government Activities					Business-type Activities				
	Original	Amended	Actual	Variance	Original	Amended	Actual	Variance	
Revenues	2,105,415	2,234,500	2,690,417	455,917	2,889,500	3,150,750	4,243,420	1,092,670	
Expenses	(2,102,415)	(2,231,500)	(2,567,451)	(335,951)	(3,245,620)	(3,369,548)	(3,022,737)	346,811	
Net	3,000	3,000	122,966	119,966	(356,120)	(218,798)	1,220,683	1,439,481	

General Fund Only				
	Original	Amended	Actual	Variance
Revenues	1,919,415	2,130,500	1,869,479	(261,021)
Expenses	(1,919,415)	(2,130,500)	(2,021,113)	109,387
Net	-	-	(151,634)	(151,634)

Capital Asset and Debt Administration

Capital assets—The City’s investment in capital assets for its governmental activities as of June 30, 2025, is \$7,276,434 (net of accumulated depreciation), an increase of \$166,459. Governmental activities’ net capital assets increase was a result of current year equipment and improvements of \$525,504 netting with depreciation of \$359,045. Business-type activities’ capital assets were \$29,743,551 (net of accumulated depreciation), an increase of \$967,653. Business-type activities’ net capital assets increase was a result of improvements of \$1,838,345 less current year depreciation of \$870,693.

Net Capital Assets	Governmental Activities		Business-type Activities	
	2025	2024	2025	2024
Infrastructure & land, net of depreciation	\$ 566,324	\$ 588,843	\$ 222,287	\$ 222,287
Buildings & equipment, net of depreciation	6,710,110	6,521,132	29,521,264	28,553,611
Total assets	\$ 7,276,434	\$ 7,109,975	\$ 29,743,551	\$ 28,775,898

Long-term debt—The City had long-term debt activity for various loans during the year. The City closed a \$519,000 taxable lease revenue loan for the public works building. In the water fund the 2015 taxable water revenue loan was retired in full at \$1,794,000 and replaced with a new 2025 taxable water revenue loan maturing in 2064, on which \$2,412,000 had been drawn at year end.

Long-term Debt	2025	2024	2023
Governmental Activities:			
Revenue bonds	\$ 1,019,000	\$ 566,000	\$ 631,000
Note payable	178,000	192,000	206,000
Business-type Activities:			
Revenue bonds	13,994,796	13,859,796	14,415,796
Total	\$ 15,191,796	\$ 14,617,796	\$ 15,252,796

Economic Factors and Next Year’s Budgets and Rates

The City’s budget for next year is relatively similar to most recent year’s actual expenses with the exception of capital outlay projects that vary from year to year. No changes in budgeted tax revenues have been made for the next fiscal year. The tax rates are set to reach the same budgeted revenues.

Requests for Information

This financial report is designed to provide a general overview of the City’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City’s management at 58 South Main Street, Helper, Utah 84526 and phone (435) 472-5391.

Helper City
STATEMENT OF NET POSITION
June 30, 2025

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash	\$ 717,172	\$ 1,891,386	\$ 2,608,558
Accounts receivable, customers	9,843	300,047	309,890
Allowance for doubtful accounts	-	(19,833)	(19,833)
Accounts receivable, property taxes	323,189	-	323,189
Accounts receivable, intergovernmental	<u>152,371</u>	<u>407,281</u>	<u>559,652</u>
Total current assets	1,202,575	2,578,881	3,781,456
Non current assets:			
Cash restricted	26,273	1,322,677	1,348,950
Net pension asset	-	-	-
Capital assets:			
Land	154,160	109,422	263,582
Water shares	-	112,865	112,865
Infrastructure	5,467,913	44,411,565	49,879,478
Buildings & equipment	14,288,502	333,112	14,621,614
Less: accumulated depreciation	<u>(12,634,141)</u>	<u>(15,223,413)</u>	<u>(27,857,554)</u>
Total non current assets	<u>7,302,707</u>	<u>31,066,228</u>	<u>38,368,935</u>
Total assets	8,505,282	33,645,109	42,150,391
Deferred outflows of resources for pension	<u>142,557</u>	<u>53,803</u>	<u>196,360</u>
Total assets and deferred outflows of resources	<u>8,647,839</u>	<u>33,698,912</u>	<u>42,346,751</u>
LIABILITIES			
Current liabilities:			
Accounts payable	30,469	291,605	322,074
Accrued payroll and payroll taxes	20,528	6,240	26,768
Accrued interest expense	6,690	139,125	145,815
Current portion note payable	98,000	491,000	589,000
Deferred grant revenue	<u>53,272</u>	<u>-</u>	<u>53,272</u>
Total current liabilities	208,959	927,970	1,136,929
Non current liabilities:			
Compensated absences	16,016	4,536	20,552
Customer deposits	-	226,235	226,235
Net pension liability	141,224	53,300	194,524
Notes and bonds payable	<u>1,099,000</u>	<u>13,503,796</u>	<u>14,602,796</u>
Total non current liabilities	<u>1,256,240</u>	<u>13,787,867</u>	<u>15,044,107</u>
Total liabilities	1,465,199	14,715,837	16,181,036
Deferred inflows of resources:			
Property taxes unavailable	280,000	-	280,000
Related to pension	<u>4,617</u>	<u>1,743</u>	<u>6,360</u>
Total deferred inflows of resources	<u>284,617</u>	<u>1,743</u>	<u>286,360</u>
Total liabilities and deferred inflows of resources	1,749,816	14,717,580	16,467,396
NET POSITION			
Invested in capital assets, net of related debt	6,079,434	15,748,755	21,828,189
Restricted	26,273	1,322,677	1,348,950
Unrestricted	<u>792,316</u>	<u>1,909,900</u>	<u>2,702,216</u>
Total net position	<u>6,898,023</u>	<u>18,981,332</u>	<u>25,879,355</u>
Total liabilities, deferred inflows of resources & net position	<u>\$ 8,647,839</u>	<u>\$ 33,698,912</u>	<u>\$ 42,346,751</u>

Helper City
STATEMENT OF ACTIVITIES
For the year ending June 30, 2025

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 327,411	\$ 50,547	\$ 74,673	\$ 204,303	\$ 2,112	\$ -	\$ 2,112
Fire protection	225,916	104,932	-	39,429	(81,555)	-	(81,555)
Police and courts	821,241	37,226	11,221	10,285	(762,509)	-	(762,509)
Roads	382,810	-	251,935		(130,875)	-	(130,875)
Cemetery	16,241	30,700			14,459	-	14,459
Community and economic development	33	312,988	-	-	312,955	-	312,955
Culture, recreation and parks	562,177	61,495	-	5,887	(494,795)	-	(494,795)
Interest on long-term debt	<u>6,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,690)</u>	<u>-</u>	<u>(6,690)</u>
Total governmental activities	<u>2,342,519</u>	<u>597,888</u>	<u>337,829</u>	<u>259,904</u>	<u>(1,146,898)</u>	<u>-</u>	<u>(1,146,898)</u>
Business-type Activities:							
Water	1,332,913	857,431	-	1,219,351	-	743,869	743,869
Sewer	673,399	756,048	-	-	-	82,649	82,649
Electric	810,593	1,085,686	-	-	-	275,093	275,093
Garbage	<u>205,832</u>	<u>210,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,113</u>	<u>5,113</u>
Total business-type activities	<u>3,022,737</u>	<u>2,910,110</u>	<u>-</u>	<u>1,219,351</u>	<u>-</u>	<u>1,106,724</u>	<u>1,106,724</u>
Total primary government	<u>\$ 5,365,256</u>	<u>\$ 3,507,998</u>	<u>\$ 337,829</u>	<u>\$ 1,479,255</u>	<u>(1,146,898)</u>	<u>1,106,724</u>	<u>(40,174)</u>
General revenues:							
Property taxes					367,133	-	367,133
Sales and franchise taxes					574,183	-	574,183
Earnings on investments					45,087	113,960	159,047
Transfers					<u>-</u>	<u>-</u>	<u>-</u>
Total general revenues					<u>986,403</u>	<u>113,960</u>	<u>1,100,363</u>
Change in net position					(160,495)	1,220,684	1,060,189
Beginning net position					<u>7,058,518</u>	<u>17,760,648</u>	<u>24,819,166</u>
Ending net position					<u>\$ 6,898,023</u>	<u>\$ 18,981,332</u>	<u>\$ 25,879,355</u>

See accompanying notes. Page 12

Helper City
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2025

Total Fund Balances for Governmental Funds \$ 815,670

Total net assets reported for governmental activities in the statement of net assets is different because of the following accounting differences:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of the following:

Land	154,160	
Infrastructure	5,467,913	
Buildings and equipment	14,288,502	
Accumulated depreciation	<u>(12,634,141)</u>	
Net		7,276,434

Long-term debt, for funds other than enterprise funds, are recorded in the government-wide financial statements but not in the fund statements.	(1,197,000)
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Compensated absences excluded from fund statements	(16,016)
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Long-term pension related accounts are excluded from fund statements:

Deferred outflow of pension resources	142,557	
Net pension liability	(141,224)	
Deferred inflow of pension resources	<u>(4,617)</u>	
Net		(3,284)

Accrued interest excluded from fund statements	(6,690)
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Deferred property tax revenue includes delinquent property taxes in the fund statements but not in the government-wide statements.	<u>28,909</u>
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Total Net Position of Governmental Activities \$ 6,898,023

Helper City
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ending June 30, 2025

Net Change in Fund Balances--Total Governmental Funds \$ 122,966

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

Governmental funds report capital outlays as expenditures:

Retirement of assets, book value	-	
Capital outlays	525,504	
Depreciation	<u>(359,043)</u>	
Net		166,461

Changes in long-term pension related accounts are excluded from fund statements:

Deferred outflow of pension resources	(20,941)	
Net pension asset	-	
Net pension liability	(879)	
Deferred inflow of pension resources	<u>(1,049)</u>	
Net		(22,869)

Delinquent taxes not reported by governmental fund because not available		10,607
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Change in compensated absences excluded from fund statements		410
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Loan activity, except interest paid, is excluded from fund statements:

Loan proceeds	(519,000)	
Change in accrued interest	930	
Principal paid	<u>80,000</u>	
Net		<u>(438,070)</u>

Change in Net Position of Governmental Activities \$ (160,495)

Helper City
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	<u>Governmental Funds</u>			<u>Total</u>
	<u>General Fund</u>	<u>MBA Special Revenue Fund</u>	<u>Other Governmental Funds</u>	
Assets				
Cash	\$ 439,018	\$ 71,594	\$ 206,560	\$ 717,172
Cash restricted	5,000	-	21,273	26,273
Accounts receivable and prepaid items	9,843	-	-	9,843
Accounts receivable, property taxes	323,189	-	-	323,189
Accounts receivable, intergovernmental	<u>142,285</u>	<u>10,086</u>	<u>-</u>	<u>152,371</u>
Total assets	<u>\$ 919,335</u>	<u>\$ 81,680</u>	<u>227,833</u>	<u>\$ 1,228,848</u>
Liabilities and deferred inflows of resources				
Liabilities:				
Accounts payable	\$ 30,469	\$ -	-	\$ 30,469
Accrued payroll liabilities	20,528	-	-	20,528
Due to other fund	-	-	-	-
Deferred grant revenue	<u>-</u>	<u>-</u>	<u>53,272</u>	<u>53,272</u>
Total liabilities	50,997	-	53,272	104,269
Deferred inflows:				
Property tax assessment unavailable	280,000	-	-	280,000
Delinquent property tax unavailable	<u>28,909</u>	<u>-</u>	<u>-</u>	<u>28,909</u>
Total deferred inflows of resources	<u>308,909</u>	<u>-</u>	<u>-</u>	<u>308,909</u>
Total liabilities & deferred inflows of resources	359,906	-	53,272	413,178
Fund Balances				
Fund balances:				
Restricted:				
Community reinvestment	-	-	21,273	21,273
Roads and highway tax	-	-	-	-
Debt service	5,000	-	-	5,000
Assigned	-	81,680	7,605	89,285
Unassigned	<u>554,429</u>	<u>-</u>	<u>145,683</u>	<u>700,112</u>
Total fund balances	<u>559,429</u>	<u>81,680</u>	<u>174,561</u>	<u>815,670</u>
Total liabilities, deferred inflows of resources, & fund balances	<u>919,335</u>	<u>81,680</u>	<u>227,833</u>	<u>1,228,848</u>

Helper City
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ending June 30, 2025

	General Fund	MBA Special Revenue Fund	Other Governmental Funds	<u>Total</u>
Revenues				
Taxes	\$ 930,709	\$ -	\$ -	\$ 930,709
Licenses and permits	10,401	-	-	10,401
Charges for services	204,373	68,833	-	273,206
Intergovernmental	318,757	233,000	-	551,757
Fines and forfeitures	30,734	-	-	30,734
Interest earnings	44,982	105	-	45,087
Miscellaneous revenues	<u>329,523</u>	<u>-</u>	<u>-</u>	<u>329,523</u>
Total operating revenue	1,869,479	301,938	-	2,171,417
Expenditures				
General government	298,393	-	-	298,393
Fire protection	182,886	-	-	182,886
Police and courts	769,781	-	-	769,781
Roads	333,986	-	-	333,986
Cemetery	15,428	-	-	15,428
Community and economic development	33	-	-	33
Culture, recreation, parks	349,433	-	4,387	353,820
Capital outlay	66,173	459,331	-	525,504
Debt service:				
Principal	5,000	75,000	-	80,000
Interest	<u>-</u>	<u>7,620</u>	<u>-</u>	<u>7,620</u>
Total operating expenditures	<u>2,021,113</u>	<u>541,951</u>	<u>4,387</u>	<u>2,567,451</u>
Excess (deficiency) of revenues over (under) expenditures	(151,634)	(240,013)	(4,387)	(396,034)
Other financing sources and (uses)			-	
Loan proceeds	-	519,000	-	519,000
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(151,634)	278,987	(4,387)	122,966
Fund balances--beginning of year	<u>711,063</u>	<u>(197,307)</u>	<u>178,948</u>	<u>692,704</u>
Fund balances--end of year	<u>\$ 559,429</u>	<u>\$ 81,680</u>	<u>\$ 174,561</u>	<u>\$ 815,670</u>

Helper City
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

	Business-type Activities--Enterprise Funds				
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Electric Fund</u>	<u>Nonmajor Garbage Fund</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS					
Current assets:					
Cash	\$ 604,447	\$ 345,767	\$ 838,750	\$ 102,422	\$ 1,891,386
Accounts receivable--governmental	407,281	-	-	-	407,281
Accounts receivable--customers	88,214	90,383	94,218	27,232	300,047
Allowance for doubtful receivables	<u>(5,884)</u>	<u>(6,596)</u>	<u>(6,437)</u>	<u>(916)</u>	<u>(19,833)</u>
Total current assets	1,094,058	429,554	926,531	128,738	2,578,881
Non current assets:					
Cash restricted	637,293	685,384	-	-	1,322,677
Net pension asset	-	-	-	-	-
Capital assets:					
Land	57,252	52,170	-	-	109,422
Water shares	112,865	-	-	-	112,865
Infrastructure	30,539,000	8,856,339	5,016,226	-	44,411,565
Machinery and equipment	260,645	55,407	17,060	-	333,112
Accumulated depreciation	<u>(8,248,616)</u>	<u>(2,161,020)</u>	<u>(4,813,777)</u>	<u>-</u>	<u>(15,223,413)</u>
Total non current assets	<u>23,358,439</u>	<u>7,488,280</u>	<u>219,509</u>	<u>-</u>	<u>31,066,228</u>
Total assets	24,452,497	7,917,834	1,146,040	128,738	33,645,109
Deferred outflows for pension	<u>40,388</u>	<u>2,374</u>	<u>11,041</u>	<u>-</u>	<u>53,803</u>
Total assets and deferred outflows	<u>24,492,885</u>	<u>7,920,208</u>	<u>1,157,081</u>	<u>128,738</u>	<u>33,698,912</u>
LIABILITIES AND DEFERRED INFLOWS					
Current liabilities:					
Accounts payable	239,757	-	51,676	172	291,605
Accrued payroll and payroll taxes	4,272	237	1,731	-	6,240
Accrued interest expense	32,800	106,325	-	-	139,125
Current portion note payable	<u>258,000</u>	<u>233,000</u>	<u>-</u>	<u>-</u>	<u>491,000</u>
Total current liabilities	534,829	339,562	53,407	172	927,970
Non current liabilities:					
Compensated absences	4,187	349	-	-	4,536
Customer deposits	226,235	-	-	-	226,235
Net pension liability	40,010	2,352	10,938	-	53,300
Notes payable, long-term portion	<u>7,786,000</u>	<u>5,717,796</u>	<u>-</u>	<u>-</u>	<u>13,503,796</u>
Total non current liabilities	<u>8,056,432</u>	<u>5,720,497</u>	<u>10,938</u>	<u>-</u>	<u>13,787,867</u>
Total liabilities	8,591,261	6,060,059	64,345	172	14,715,837
Deferred inflows for pension	<u>1,308</u>	<u>77</u>	<u>358</u>	<u>-</u>	<u>1,743</u>
Total liabilities and deferred inflows	8,592,569	6,060,136	64,703	172	14,717,580
NET POSITION					
Invested in capital assets, net of related debt	14,677,146	852,100	219,509	-	15,748,755
Restricted (debt service reserves)	637,293	685,384	-	-	1,322,677
Unrestricted	<u>585,877</u>	<u>322,588</u>	<u>872,869</u>	<u>128,566</u>	<u>1,909,900</u>
Total net position	<u>15,900,316</u>	<u>1,860,072</u>	<u>1,092,378</u>	<u>128,566</u>	<u>18,981,332</u>
Total liabilities, deferred inflows and net position	<u>\$ 24,492,885</u>	<u>\$ 7,920,208</u>	<u>\$ 1,157,081</u>	<u>\$ 128,738</u>	<u>\$ 33,698,912</u>

See accompanying notes. Page 17

Helper City
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the year ending June 30, 2025

	Business-type Activities--Enterprise Funds				
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Electric Fund</u>	<u>Nonmajor Garbage Fund</u>	<u>Total</u>
Operating Revenues					
Charges for services	\$ 842,554	\$ 755,798	\$ 1,043,755	\$ 210,945	\$ 2,853,052
Connections	80	250	1,593	-	1,923
Miscellaneous	<u>14,797</u>	<u>-</u>	<u>40,338</u>	<u>-</u>	<u>55,135</u>
Total operating revenues	857,431	756,048	1,085,686	210,945	2,910,110
Operating Expenses					
Wages and benefits	332,133	19,473	107,470	-	459,076
Assessments and usage fees	36,551	323,758	472,684	187,838	1,020,831
Repairs, maintenance and supplies	88,967	8,060	144,619	-	241,646
Professional services	41,184	-	-	-	41,184
Utilities	12,749	-	1,134	-	13,883
Office	25,604	1,515	72,547	17,994	117,660
Insurance	6,000	-	6,732	-	12,732
Miscellaneous	3,013	8	4,486	-	7,507
Depreciation	<u>655,512</u>	<u>214,260</u>	<u>921</u>	<u>-</u>	<u>870,693</u>
Total operating expenses	<u>1,201,713</u>	<u>567,074</u>	<u>810,593</u>	<u>205,832</u>	<u>2,785,212</u>
Operating income (loss)	(344,282)	188,974	275,093	5,113	124,898
Non-Operating Revenue (Expenses)					
Transfers in or (out)	-	-	-	-	-
Interest earnings	99,839	-	14,121	-	113,960
Interest expense	<u>(131,200)</u>	<u>(106,325)</u>	<u>-</u>	<u>-</u>	<u>(237,525)</u>
Total non-operating revenue (expense)	(31,361)	(106,325)	14,121	-	(123,565)
Other Revenues (Expenses)					
Grants	<u>1,219,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,219,351</u>
Change in net position	843,708	82,649	289,214	5,113	1,220,684
Net position-beginning	<u>15,056,608</u>	<u>1,777,423</u>	<u>803,164</u>	<u>123,453</u>	<u>17,760,648</u>
Net position-ending	<u>\$ 15,900,316</u>	<u>\$ 1,860,072</u>	<u>\$ 1,092,378</u>	<u>\$ 128,566</u>	<u>\$ 18,981,332</u>

Helper City
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ending June 30, 2025

	Business-type Activities--Enterprise Funds				
	Water Fund	Sewer Fund	Electric Fund	Nonmajor Garbage Fund	Total
Cash Flows from Operations					
Receipts from services	\$ 841,875	\$ 752,713	\$ 1,073,610	\$ 209,478	\$ 2,877,676
Paid for labor and wages	(324,024)	(18,959)	(105,302)	-	(448,285)
Paid for supplies and services	(221,668)	(333,341)	(718,724)	(205,720)	(1,479,453)
Net cash flows	296,183	400,413	249,584	3,758	949,938
Cash Flows from Non-Capital Financing					
Transfers	-	-	-	-	-
Net cash flows	-	-	-	-	-
Cash Flows from Capital Financing					
Principal payments--revenue bonds	(335,000)	(230,000)	-	-	(565,000)
Interest paid	(131,200)	(110,150)	-	-	(241,350)
Loan proceeds	700,000	-	-	-	700,000
Capital grants received	1,449,422	-	-	-	1,449,422
Net cash flows	1,683,222	(340,150)	-	-	1,343,072
Cash Flows from Investing Activities					
Acquisition of capital assets	(1,646,405)	-	-	-	(1,646,405)
Received from interest earnings	99,839	-	14,121	-	113,960
Net cash flows	(1,546,566)	-	14,121	-	(1,532,445)
Net increase (decrease) in cash	432,839	60,263	263,705	3,758	760,565
Cash balance - beginning of year	808,901	970,888	575,045	98,664	2,453,498
Cash balance - end of year	<u>\$ 1,241,740</u>	<u>\$ 1,031,151</u>	<u>\$ 838,750</u>	<u>\$ 102,422</u>	<u>\$ 3,214,063</u>
Statement of Net Position Presentation:					
Cash	604,447	345,767	838,750	102,422	1,891,386
Cash restricted	637,293	685,384	-	-	1,322,677
Total	<u>\$ 1,241,740</u>	<u>\$ 1,031,151</u>	<u>\$ 838,750</u>	<u>\$ 102,422</u>	<u>\$ 3,214,063</u>
Reconciliation of Operating Income to Net Cash Provided from Operating Activity					
Operating income (loss)	\$ (344,282)	\$ 188,974	\$ 275,093	\$ 5,113	124,898
Operating items not involving cash:					-
Depreciation	655,512	214,260	921	-	870,693
(Increase) decrease in accounts receivable	(15,556)	(3,335)	(12,076)	(1,467)	(32,434)
Increase (decrease) in payables, etc.	509	514	(14,354)	112	(13,219)
Net cash provided by operating activities	<u>\$ 296,183</u>	<u>\$ 400,413</u>	<u>\$ 249,584</u>	<u>\$ 3,758</u>	<u>\$ 949,938</u>

Supplementary Information: Cash paid for interest expense was \$241,350.

Helper City
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2025

	<u>Community</u> <u>Development</u>
Assets	
Cash	\$ 74,331
Land	<u> 10,050</u>
Total assets	84,381
 Liabilities	 <u> -</u>
 Net Position	
Held in trust for fiduciary purposes	<u><u> \$ 84,381</u></u>

Helper City
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the year ending June 30, 2025

	<u>Community</u> <u>Development</u>
Additions	
Contributions	\$ -
Investment earnings	-
Charges	-
Total additions	-
Deductions	
Operations	-
Fees	-
Total deductions	-
Change in net position	-
Net position - beginning of year	<u>84,381</u>
Net position - end of year	<u>\$ 84,381</u>

Helper City
Notes to the Financial Statements
June 30, 2025

Note 1 Summary of Significant Accounting Policies

History and Organization—Helper Municipal Corporation (the City) is a municipal corporation governed by an elected mayor and five-member council. The City, incorporated in 1915, provides the following services: public safety, public utilities, street and public improvements, sanitation, planning and zoning, culture and recreation.

Reporting Entity—The accounting policies of Helper City conform to generally accepted accounting principles as applicable to governmental units. For financial reporting purposes, the City has considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and the (1) ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.

The Helper City Redevelopment Agency (a component unit) is blended in the City's financial statements as a special revenue fund. Although the RDA is clearly established as a separate entity under state law, it is included due to financial accountability and the extensive oversight provided by the City. Members of the City Council serve as the Board of Directors of the RDA. The following is a summary of the more significant policies:

Government-Wide and Fund Financial Statements—The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of the inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent of fees and charges for support.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation—The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP).

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Indirect charges are not allocated but are charged to the general administration department.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Helper City Notes to the Financial Statements

June 30, 2025

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating income and expense reported in proprietary fund financial statements include those revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services, including administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Policy regarding use of restricted resources—When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities. Non-current restricted assets are long-term in nature for acquisition or construction of non-current assets or for long-term debt payment reserves.

The City reports the following major governmental funds:

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

River Restoration Fund Capital Projects Fund—The River Restoration Fund is a capital projects fund. It accounts for all grant funds received and used by the City as it relates to the restoration of the river banks of the Price River as it runs through the boundaries of the City.

Municipal Building Authority Fund Special Revenue Fund—The MBA Fund is a special revenue fund. It accounts for the acquisition and construction of capital assets to be held for the benefit and use of Helper City, and for related lease revenue and debt payments.

The City's non-major governmental funds include three additional capital project funds and one special revenue fund. The special revenue fund accounts for specific revenue resources that are legally restricted to expenditures for a redevelopment area.

The City reports the following major proprietary funds:

The *water fund* is used to account for culinary and secondary water activities.

The *sewer fund* is used to account for sewer water activities.

The *electric fund* is used to account for electricity distribution activities.

The City's garbage fund is a non-major proprietary fund.

Cash and Cash Equivalents—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 reported at fair value. Deposits are reported at cost, which approximates fair value. Investments of the City are accounts at the Utah Public Treasurers Investments Fund. More detail is contained in the cash note.

Helper City
Notes to the Financial Statements
June 30, 2025

Deposits and Investments—State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Public Treasurer's Investment Fund (PTIF) which operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. See also cash note.

Receivables and Payables—Accounts receivable other than property taxes and intergovernmental receivables are from customers primarily for utility services. Property tax and intergovernmental receivables are considered collectible. Customer accounts are reported net of an allowance for uncollectible accounts. The allowance amount is estimated using accounts receivable past due more than 90 days. During the course of operations, there may be transactions occur between funds that are representative of lending/borrowing arrangements outstanding at year-end. These are reported as either *due to* or *due from other funds*.

Property Taxes—The property tax revenue of the City is collected and distributed by Carbon County. Utah statutes establish the process by which taxes are levied and collected. The County Assessor is required to assess real property as of January 1 and complete the tax rolls by May 15. By July 21, the County Auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1 and August 15 for a revision of the assessed value. The County Auditor makes approved changes in assessed value by November 1 and on this same date the County Auditor is to deliver the completed assessment rolls to the County Treasurer. Tax notices are mailed with a due date of November 30. The tax assessments are considered past due January 15 after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Utah State legislation requires motor vehicles be subject to an age-based fee that is due each time a vehicle is registered. The revenues collected in each County from motor vehicle fees is distributed by the County to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed. The City recognizes motor vehicle fees as property tax revenue when collected.

As of June 30, 2025, property taxes receivable by the City includes uncollected taxes assessed as of the beginning of the current calendar year or earlier. The County expects that all taxes (including delinquencies plus accrued interest and penalties) will be collected within a five-year period, after which time the County Treasurer may force sale of property to collect the delinquent portion. Delinquent property tax receivable is recognized as revenue in the government-wide financial statements. Only the portion of property taxes receivable that meets the revenue recognition criteria is reported as revenue in the fund financial statements.

Inventories and Prepaid Items—All inventories are valued at cost using the first-in/first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets—At times, the City may have funds set aside that are legally restricted or their use is limited by certain covenants. In accordance with certain revenue bond covenants, resources may be required to be set aside for the repayment of such bonds, and, on occasion, for the repair and maintenance of the assets acquired with the bond proceeds. These resources are classified as restricted assets on the balance sheet because of their limited use. Most capital grant agreements mandate that grant proceeds be spent only on capital assets. Unspent resources of this nature are also classified as restricted. The limited use resources described above involve a reported restriction of both cash and net assets. Unspent proceeds of bonds issued to finance capital assets are also reported as restricted cash. Restricted assets will be utilized first when eligible. See also *policy regarding use of restricted resources*.

Capital Assets—Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual significant cost and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or

Helper City Notes to the Financial Statements

June 30, 2025

constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives: infrastructure 40 years, buildings and improvements 20 to 50 years, and equipment 3 to 8 years.

Long-term Obligations—In the government-wide and proprietary fund financial statements, long-term debt and obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the terms of the respective bonds using the effective interest method. Bond payables are reported net of the applicable bond premium or discount. The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

Fund Equity—Equity is reported differently for the government-wide and fund financial statements.

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

Invested in capital assets, net of related debt - Capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - 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.

Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested" in capital assets, net of related debt."

Net Position Flow Assumption—Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Financial Statements—In the fund financial statements governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned.

Nonspendable fund balance - Amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

Restricted fund balance - Amounts restricted by enabling legislation. Also reported if, (a) externally imposed by creditors, grantors, contributors, or laws regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.

Assigned fund balance - Amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. Also includes all remaining amounts that are reported in governmental funds, other than the general fund that are not classified as nonspendable, restricted nor committed or in the General Fund, that are intended to be used for specific purposes.

Helper City Notes to the Financial Statements

June 30, 2025

Unassigned fund balance - Residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Fund Balance Flow Assumptions—Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to reports as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

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

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

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

Exposures to Risks of Loss—The City minimizes its exposure to risks of loss through the purchase of commercial insurance. The City considers uninsured exposure to risks of loss as immaterial.

Subsequent Events—In preparing these financial statements, The City has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were available to be issued.

Compensated Absences—Accumulated unpaid vacation is accrued as incurred based on the years of service for each employee. Vacation is accumulated monthly and is fully vested when earned. At retirement, death, or termination, all unpaid accrued vacation is paid. Actual liability for unused vacation has been computed using current pay rate per hour for each hour of vacation.

Interfund Transfers—The City's general fund provides administrative services to the other funds. Charges are treated as revenues and the fund receiving the service records an operating expense. Transfers between funds that are not considered operating charges are reported as other financing sources (uses) transfers in and out. Short-term payables between funds are shown as due to/due from other funds.

Interest Expense as Indirect—Interest expense is presented separately in the government-wide financials.

Deferred Outflows & Inflows of Resources—In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Helper City
Notes to the Financial Statements
June 30, 2025

In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property taxes to be collected in the following November were unavailable in the current fiscal year. Accordingly, these property taxes are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Pensions—For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, the 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 the 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.

Note 2 Cash Deposits and Investments

The Utah Money Management Act (UMMA) establishes specific requirements regarding deposits of public funds by public treasurers. UMMA requires that city funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by the Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. The PTIF is not registered with the SEC as an investment company. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares. The City maintains monies not immediately needed for expenditure in PTIF accounts.

Deposit and Investment Risk—The City maintains no deposit and investment policy containing any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk other than that imposed by UMMA. The City's compliance with the provisions of UMMA addresses each of these risks.

Reconciliation to the Balance Sheet			
Balance Sheet		Deposits & Investments	
Cash	\$ 2,608,558	Checking, savings & money markets	\$ 506,104
Cash restricted	1,348,950	Utah Public Treasurer's Pool	3,525,735
Fiduciary cash	74,331		-
Total	<u>\$ 4,031,839</u>	Total	<u>\$ 4,031,839</u>

Helper City
Notes to the Financial Statements
June 30, 2025

Deposits

The City's deposits include checking, money market, and savings.

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, \$594,518 of the City's bank balances of \$844,518 (carrying book balance of \$505,204) was uninsured or uncollateralized.

Investments

The Money Management Act defines the types of securities authorized as appropriate investments for the City 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, one of which must be Moody's Investors Services or Standard & Poor's; bankers' acceptances; obligations of the United State Treasury including bills, notes, and bonds; 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 Act; and the Utah State Public Treasurer's Investment Fund.

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. The PTIF uses a Level 2 fair value measurement.

As of June 30, 2025, the City had the following investments.

<u>Investment</u>	<u>Fair Value</u>	<u>FMV Level</u>	<u>Quality Rating</u>	<u>Investment Maturity</u>
Utah PTIF	\$ 3,525,735	Level 2	Unrated	Less than 1 year

Interest Rate Risk—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. Except for funds of Institutions of Higher Education acquired by gifts, grants, or the corpus of funds functioning as endowments, the Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 2 years. For funds of Institutions of Higher Education acquired by gifts, grants, or the corpus of funds functioning as endowments, Rule 2 of the Money Management Council does not allow the dollar-weighted average maturity of fixed income securities to exceed ten years.

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.

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

Helper City
Notes to the Financial Statements
June 30, 2025

Note 3 Capital Assets

A summary of capital asset activity for governmental funds is presented as follows.

Governmental Activities	<u>Beginning</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u>
Capital assets not depreciated:				
Land	\$ 154,160	\$ -	\$ -	\$ 154,160
Museum artifacts	1,481,105	-	-	1,481,105
Water shares	-	-	-	-
Sub-total	1,635,265	-	-	1,635,265
Capital assets being depreciated:				
Infrastructure	5,467,913	-	-	5,467,913
Buildings & equipment	12,326,760	525,504	(44,867)	12,807,397
Sub-total	17,794,673	525,504	(44,867)	18,275,310
Less accumulated depreciation:				
Infrastructure	(5,033,230)	(22,519)	-	(5,055,749)
Buildings & equipment	(7,286,733)	(336,526)	44,867	(7,578,392)
Sub-total	(12,319,963)	(359,045)	44,867	(12,634,141)
Capital assets being depreciated, net	5,474,710	166,459	-	5,641,169
Total governmental capital assets, net	<u>\$ 7,109,975</u>	<u>\$ 166,459</u>	<u>\$ -</u>	<u>\$ 7,276,434</u>
Current year governmental activity depreciation by function:				
General government	\$ 6,561			
Fire protection	43,030			
Police and courts	51,460			
Roads	48,824			
Cemetery	813			
Community and economic development	-			
Culture, recreation and parks	208,357			
	<u>\$ 359,045</u>			

Helper City
Notes to the Financial Statements

June 30, 2025

A summary of capital asset activity for business-type funds is presented as follows.

Business-type Activities	<u>Beginning</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending</u>
Capital assets not depreciated:				
Land	\$ 109,422	\$ -	\$ -	\$ 109,422
Water shares	<u>112,865</u>	<u>-</u>	<u>-</u>	<u>112,865</u>
Sub-total	222,287	-	-	222,287
Capital assets being depreciated:				
Water system and equipment	28,961,297	1,838,348	-	30,799,645
Sewer system and equipment	8,911,746	-	-	8,911,746
Electric system and equipment	5,033,289	-	-	5,033,289
Garbage fund equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total	42,906,332	1,838,348	-	44,744,680
Less accumulated depreciation:				
Water system and equipment	(7,593,104)	(655,512)	-	(8,248,616)
Sewer system and equipment	(1,946,761)	(214,259)	-	(2,161,020)
Electric system and equipment	(4,812,856)	(921)	-	(4,813,777)
Garbage fund equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total	<u>(14,352,721)</u>	<u>(870,692)</u>	<u>-</u>	<u>(15,223,413)</u>
Capital assets being depreciated, net	<u>28,553,611</u>	<u>967,656</u>	<u>-</u>	<u>29,521,267</u>
Total business-type capital assets, net	<u>\$ 28,775,898</u>	<u>\$ 967,656</u>	<u>\$ -</u>	<u>\$ 29,743,554</u>
Current year governmental activity depreciation by function:				
Water	\$ 655,512			
Sewer	214,260			
Electric	921			
Garbage	<u>-</u>			
	<u>\$ 870,693</u>			

Helper City
Notes to the Financial Statements
June 30, 2025

Note 4 Long-term Obligations

Long-term debt activity for the governmental funds is presented as follows. The municipal building authority special revenue fund and general fund typically pays governmental fund debt. All business-type activity loans are secured by the revenues of business-type activities. In the event of default, bond holders may appoint a receiver to manage revenues. Bond covenants require the accumulation of cash for debt sinking and reserve funds. The amount of cash restricted for debt service is presented in the financial statements.

Governmental Fund Debt	Original Principal	% Rate	Maturity	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
1996 lease revenue bonds	632,500	3.00%	7/1/2026	\$ 94,000	\$ -	\$ (31,000)	\$ 63,000	\$ 31,000
2006 taxable lease revenue	892,000	0.00%	1/1/2037	382,000	-	(30,000)	352,000	30,000
MBA fire/rescue truck loan	232,000	3.00%	7/1/2034	192,000	-	(14,000)	178,000	14,000
2009 sales tax revenue bonds	150,000	0.00%	10/1/2041	90,000	-	(5,000)	85,000	5,000
2024 taxable lease revenue	519,000	0.00%	7/1/2055	-	519,000	-	519,000	18,000
Total bonds payable				<u>758,000</u>	<u>519,000</u>	<u>(80,000)</u>	<u>1,197,000</u>	<u>\$ 98,000</u>
Additional long-term liabilities:								
Compensated absences				16,426	-	(410)	16,016	
Net pension liability				<u>140,345</u>	<u>879</u>	<u>-</u>	<u>141,224</u>	
Sub-total				<u>156,771</u>	<u>879</u>	<u>(410)</u>	<u>157,240</u>	
Grand total				<u>\$ 914,771</u>	<u>\$ 519,879</u>	<u>\$ (80,410)</u>	<u>\$ 1,354,240</u>	

Annual debt service requirements to maturity for governmental fund debt are as follows:

Year	Principal	Interest	Total
2026	\$ 98,000	\$ 5,060	\$ 103,060
2027	100,000	3,725	103,725
2028	68,000	3,350	71,350
2029	69,000	2,975	71,975
2030	69,000	2,575	71,575
2031-2035	365,000	6,150	371,150
2036-2040	162,000	-	162,000
2041-2045	95,000	-	95,000
2046-2050	<u>85,000</u>	<u>-</u>	<u>85,000</u>
2051-2055	<u>86,000</u>	<u>-</u>	<u>86,000</u>
Total	\$ 1,197,000	\$ 23,835	\$ 1,220,835

Helper City
Notes to the Financial Statements
June 30, 2025

Long-term debt activity for the business-type activities is presented as follows. All business-type activity loans are secured by the revenues of business-type activities. In the event of default, bond holders may appoint a receiver to manage revenues. Bond covenants require the accumulation of cash for debt sinking and reserve funds. The amount of cash restricted for debt service is presented in the financial statements.

Business-type Debt	Principal	% Rate	Maturity	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
2012 Water revenue	1,011,000	0.00%	4/1/2043	\$ 637,000	\$ -	\$ (34,000)	\$ 603,000	\$ 34,000
2013 Water revenue	7,000,000	2.50%	4/1/2043	5,248,000	-	(219,000)	5,029,000	224,000
2013 Sewer revenue	5,500,000	2.50%	7/1/2045	4,406,000	-	(153,000)	4,253,000	156,000
2015 Taxable water revenue	1,155,000	0.00%	4/1/2031	1,794,000	-	(1,794,000)	-	-
2015 taxable sewer revenue	1,157,000	0.00%	7/1/2032	<u>1,774,796</u>	<u>-</u>	<u>(77,000)</u>	<u>1,697,796</u>	<u>77,000</u>
2025 taxable water revenue	2,124,000	1.50%	4/1/2064	-	2,412,000	-	2,412,000	-
Total bonds payable				13,859,796	2,412,000	(2,277,000)	13,994,796	\$ 491,000
Additional long-term liabilities:								
Compensated absences				3,737	799	-	4,536	
Net pension liability				<u>49,687</u>	<u>3,613</u>	<u>-</u>	<u>53,300</u>	
Sub-total				<u>53,424</u>	<u>4,412</u>	<u>-</u>	<u>57,836</u>	
Grand total				<u>\$ 13,913,220</u>	<u>\$ 2,416,412</u>	<u>\$ (2,277,000)</u>	<u>\$ 14,052,632</u>	

Annual debt service requirements to maturity for business-type debt are as follows:

Year	Principal	Interest	Total
2026	\$ 491,000	\$ 228,150	\$ 719,150
2027	551,000	218,550	769,550
2028	563,000	208,700	771,700
2029	575,000	198,625	773,625
2030	588,000	188,275	776,275
2031-2035	3,127,000	777,150	3,904,150
2036-2040	3,413,000	478,700	3,891,700
2041-2045	3,301,000	147,775	3,448,775
2046-2050	480,796	-	480,796
2051-2055	325,000	-	325,000
2056-2060	322,000	-	322,000
2061-2064	<u>258,000</u>	<u>-</u>	<u>258,000</u>
Total	<u>\$ 13,994,796</u>	<u>\$ 2,445,925</u>	<u>\$ 16,440,721</u>

Note 5 Restricted Cash & Equity

Fund	Restricted Cash	Restricted Equity
General Fund:		
Debt service	\$ 5,000	\$ 5,000
Class C roads and highway tax	-	-
Recreation, arts and park tax	-	-
MBA Fund: debt service	-	-
Redevelopment Agency: community reinvestment	21,273	21,273
Water Fund: debt service reserves	637,293	637,293
Sewer Fund: debt service reserves	<u>685,384</u>	<u>685,384</u>
	<u>\$ 1,348,950</u>	<u>\$ 1,348,950</u>

Helper City
Notes to the Financial Statements
June 30, 2025

Note 6 Retirement Pension Plans

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

Defined Benefit Plans

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

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

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

Summary of Benefits by System

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

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon the employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year to June 30, 2020; 2.00% per year July 1, 2020 to present	Up to 2.5%

* Actuarial reductions are applied

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

Helper City
Notes to the Financial Statements
June 30, 2025

Contribution Rate Summary

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

Utah Retirement Systems	Employee	Employer	Employer 401(k)
Contributory System			
111 - Local Gov Division Tier 2	0.70	15.19	-
Noncontributory System			
15 - Local Gov Division Tier 1	N/A	16.97	N/A
Public Safety Retirement System			
Contributory			
122 - Other Division A Contributory Tier 2	4.73	26.49	N/A
Noncontributory			
75 Other Div A with 4.0% COLA	N/A	35.21	N/A
Tier 2 DC Only			
211 Local Government	N/A	5.19	10.00
222 Public Safety	N/A	12.49	14.00

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

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

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 15,906	N/A
Public Safety System	6,211	-
Tier 2 Public Employees System	46,396	9,362
Tier 2 Public Safety and Firefighter	52,428	2,138
Tier 2 DC Public Safety and Firefighter Plan	6,252	-
Total Contributions	\$ 127,193	\$ 11,500

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

Combined Pension Assets, Liabilities, Expense, & Deferred Outflow & Inflows of Resources Relating to Pensions

At June 30, 2025, we reported a net pension asset of \$0 and a net pension liability of \$194,523.

	Net Pension	Net Pension	Proportionate	Proportionate	Change
Measurement date: Dec 31, 2024	Asset	Liability	Share	Share December 31, 2023	(Decrease)
Noncontributory System	\$ -	\$ 51,360	0.0161962%	0.0184498%	-0.0022536%
Public Safety System	-	96,885	0.0626153%	0.0726159%	-0.0100006%
Tier 2 Public Employees System	-	30,629	0.0102700%	0.0124520%	-0.0021820%
Tier 2 Public Safety & Firefighter	-	15,649	0.0346006%	0.0508312%	-0.0162306%
Total Net Pension Asset/Liability	\$ -	\$ 194,523			

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.

Helper City
Notes to the Financial Statements
June 30, 2025

For the year ended June 30, 2025, we recognized pension expense of \$157,966. At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Changes & Amounts	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 63,557	\$ 1,033
Changes in assumptions	23,255	249
Net difference between projected and actual earnings on pension plan investments	35,210	-
Changes in proportion and differences between contributions and proportionate share of contributions	9,024	5,078
Contributions subsequent to the measurement date	65,314	-
Total	<u>\$ 196,360</u>	<u>\$ 6,360</u>

\$65,314 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end but subsequent to the measurement date of December 31, 2024. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025	\$ 43,344
2026	60,542
2027	(9,717)
2028	1,915
2029	10,223
Thereafter	18,378

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

For the year ended June 30, 2025, we recognized pension expense of \$46,993. At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,603	\$ -
Changes in assumptions	4,248	-
Net difference between projected and actual earnings on pension plan investments	15,470	-
Changes in proportion and differences between contributions and proportionate share of contributions	745	58
Contributions subsequent to the measurement date	7,564	-
	<u>\$ 58,630</u>	<u>\$ 58</u>

Helper City
Notes to the Financial Statements
June 30, 2025

\$7,564 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end but subsequent to the measurement date of December 31, 2024. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (inflows) of Resources
2025	\$ 29,906
2026	28,527
2027	(6,277)
2028	(1,146)
2029	-
Thereafter	-

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

For the year ended June 30, 2025, we recognized pension expense of \$54,898. At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources.

Changes & Amounts	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,238	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	16,768	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	3,127
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 27,006</u>	<u>\$ 3,127</u>

\$0 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end but subsequent to the measurement date of December 31, 2024. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (inflows) of Resources
2025	\$ 8,123
2026	23,801
2027	(6,811)
2028	(1,235)
2029	-
Thereafter	-

Helper City Notes to the Financial Statements

June 30, 2025

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 \$33,367. At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources.

Changes & Amounts	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,241	\$ 211
Changes in assumptions	10,230	3
Net difference between projected and actual earnings on pension plan investments	1,958	-
Changes in proportion and differences between contributions and proportionate share of contributions	4,325	420
Contributions subsequent to the measurement date	23,932	-
Total	<u>\$ 53,686</u>	<u>\$ 634</u>

\$23,932 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end but subsequent to the measurement date of December 31, 2024. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows.

Year ended December 31,	Net Deferred Outflows (inflows) of Resources
2025	\$ 3,445
2026	5,366
2027	2,259
2028	2,799
2029	6,775
Thereafter	8,476

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

For the year ended June 30, 2025, we recognized pension expense of \$22,708. At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources.

Changes & Amounts	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,474	\$ 822
Changes in assumptions	8,777	246
Net difference between projected and actual earnings on pension plan investments	1,014	-
Changes in proportion and differences between contributions and proportionate share of contributions	3,955	1,473
Contributions subsequent to the measurement date	33,818	-
Total	<u>\$ 57,038</u>	<u>\$ 2,541</u>

\$33,818 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:

Helper City
Notes to the Financial Statements
June 30, 2025

Year ended December 31,	Net Deferred Outflows (inflows) of Resources
2025	\$ 1,871
2026	2,848
2027	1,113
2028	1,497
2029	3,448
Thereafter	9,902

Actuarial assumptions:

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

The actuarial assumptions used in the January 1, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022. There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

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

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

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

Helper City Notes to the Financial Statements

June 30, 2025

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

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

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Non Contributory System	\$ 217,210	\$ 51,360	\$ (87,735)
Public Safety System	297,644	96,885	(66,932)
Tier 2 Public Employees System	91,482	30,629	(16,708)
Tier 2 Public Safety and Firefighter	53,363	15,649	(14,503)
Total	<u>\$ 659,699</u>	<u>\$ 194,523</u>	<u>\$ (185,878)</u>

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

Defined Contribution Savings Plans

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

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

- 401(k) Plan
- Roth IRA Plan

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

Plan	2025	2024	2023
401(k) Plan			
Employer Contributions	\$ 8,304	\$ 3,480	\$ 529
Employee Contributions	5,590	2,185	4,610
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	1,300	25	150

Helper City
Notes to the Financial Statements

June 30, 2025

Note 7 Budget Variance

The municipal building authority special revenue fund exceeded its adopted budget for the year by \$459,331 as a result of the public works building project, for which no appropriation had been adopted. The general capital projects fund and the Rio Hotel capital projects fund incurred expenditures of \$4,317 and \$70 respectively for which no budget was adopted. The sewer and garbage fund exceeded their budget expenditures by \$52,249 and \$28,332 respectively.

Note 8 Interfund Balances and Transfers

There were no interfund transfers and no interfund balances during the year ended June 30, 2025. In the prior year the Electric Fund transferred \$350,000 to the General Fund to help cover a shortfall of revenues in the General Fund and provide resources to pay expenditures.

	<u>General Fund</u>	<u>Cap. Proj. Riv. Rest.</u>	<u>MBA Fund</u>	<u>Other Govt.</u>	<u>Electric Fund</u>	<u>Total</u>
Transfers out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Required Supplementary Information

Helper City
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL--GENERAL FUND
For the year ending June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ 885,615	\$ 823,900	\$ 930,709	\$ 106,809
Licenses and permits	11,000	11,000	10,401	(599)
Charges for services	256,300	223,500	204,373	(19,127)
Intergovernmental	285,500	352,100	318,757	(33,343)
Fines and forfeitures	45,000	28,500	30,734	2,234
Interest earnings	20,000	17,000	44,982	27,982
Miscellaneous revenues	<u>66,000</u>	<u>324,500</u>	<u>329,523</u>	<u>5,023</u>
Total operating revenue	1,569,415	1,780,500	1,869,479	88,979
Expenditures				
General government	291,100	318,710	298,393	20,317
Fire protection	122,540	221,910	182,886	39,024
Police and courts	727,165	810,936	769,781	41,155
Roads	429,900	343,824	333,986	9,838
Cemetery	22,100	21,100	15,428	5,672
Community and economic development	-	100	33	67
Culture, recreation, parks	281,610	346,460	349,433	(2,973)
Capital outlay	20,000	42,460	66,173	(23,713)
Debt service:				-
Principal	5,000	5,000	5,000	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenditures	<u>1,899,415</u>	<u>2,110,500</u>	<u>2,021,113</u>	<u>89,387</u>
Excess (deficiency) of revenues over (under) expenditures	(330,000)	(330,000)	(151,634)	178,366
Other financing sources and (uses)				
Loan proceeds	-	-	-	-
Operating transfers in (out)	<u>330,000</u>	<u>330,000</u>	<u>-</u>	<u>330,000</u>
Net change in fund balances	-	-	(151,634)	(151,634)
Fund balances--beginning of year	<u>711,063</u>	<u>711,063</u>	<u>711,063</u>	<u>-</u>
Fund balances--end of year	<u>\$ 711,063</u>	<u>\$ 711,063</u>	<u>559,429</u>	<u>\$ (151,634)</u>

Helper City
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL--M.B.A. SPECIAL REVENUE FUND
For the year ending June 30, 2025

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Charges for services	-	66,000	68,833	2,833
Intergovernmental	86,000	-	233,000	233,000
Fines and forfeitures	-	-	-	-
Interest earnings	-	-	105	105
Miscellaneous revenues	-	-	-	-
Total operating revenue	<u>86,000</u>	<u>66,000</u>	<u>301,938</u>	<u>235,938</u>
Expenditures				
General government	-	-	-	-
Fire protection	-	-	-	-
Police and courts	-	-	-	-
Roads	-	-	-	-
Cemetery	-	-	-	-
Community and economic development	-	-	-	-
Culture, recreation, parks	-	-	-	-
Capital outlay	-	-	459,331	(459,331)
Debt service:				
Principal	75,000	93,000	75,000	18,000
Interest	<u>8,000</u>	<u>8,000</u>	<u>7,620</u>	<u>380</u>
Total operating expenditures	<u>83,000</u>	<u>101,000</u>	<u>541,951</u>	<u>(440,951)</u>
Excess (deficiency) of revenues over (under) expenditures	3,000	(35,000)	(240,013)	(205,013)
Other financing sources and (uses)				
Loan proceeds	-	-	519,000	519,000
Operating transfers in (out)	<u>-</u>	<u>38,000</u>	<u>-</u>	<u>38,000</u>
Net change in fund balances	3,000	3,000	278,987	275,987
Fund balances--beginning of year	<u>(197,307)</u>	<u>(197,307)</u>	<u>(197,307)</u>	<u>-</u>
Fund balances--end of year	<u>\$ (194,307)</u>	<u>\$ (194,307)</u>	<u>\$ 81,680</u>	<u>\$ 275,987</u>

Helper City
Schedule Required for Supplemental Pension Information
Schedule of the Proportionate Share of the Net Pension Liability

	Measurement date year-end Dec 31	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Noncontributory System						
	2015	0.0261929%	148,212	218,249	67.91%	87.80%
	2016	0.0266642%	171,217	231,638	73.92%	87.30%
	2017	0.0261929%	114,759	229,710	49.96%	91.90%
	2018	0.0229925%	169,310	196,744	86.06%	87.00%
	2019	0.0228100%	85,968	196,300	43.79%	93.70%
	2020	0.0211664%	10,857	189,100	5.74%	99.20%
	2021	0.0194960%	(111,656)	159,519	-70.00%	108.70%
	2022	0.0182224%	31,210	138,206	22.58%	97.50%
	2023	0.0184498%	42,795	117,452	36.44%	96.90%
	2024	0.0161962%	51,360	106,211	48.36%	96.02%
Public Safety System						
	2015	0.1437667%	257,522	196,281	131.20%	87.10%
	2016	0.1239179%	251,464	153,849	163.45%	86.50%
	2017	0.1233136%	193,437	152,761	126.63%	90.20%
	2018	0.1155523%	297,268	149,608	198.70%	84.70%
	2019	0.0975649%	156,652	110,578	141.67%	90.90%
	2020	0.0694964%	57,699	69,534	82.98%	95.50%
	2021	0.0730877%	(59,358)	68,104	-87.16%	104.20%
	2022	0.0717165%	92,735	64,403	143.99%	93.60%
	2023	0.0726159%	103,853	65,520	158.51%	93.44%
	2024	0.0626153%	96,885	50,400	192.23%	93.30%
Tier 2 Public Employees Retirement System						
	2014	0.0105355%	(319)	51,668	-0.62%	103.50%
	2015	0.0104557%	(23)	67,561	-0.03%	100.20%
	2016	0.0096093%	1,072	78,804	1.36%	95.10%
	2017	0.0080678%	711	78,955	0.90%	97.40%
	2018	0.0088673%	3,798	103,646	3.66%	90.80%
	2019	0.0075952%	1,708	105,638	1.62%	96.50%
	2020	0.0054890%	789	87,784	0.90%	98.30%
	2021	0.0070154%	(2,969)	130,308	-2.28%	103.80%
	2022	0.0093858%	10,220	203,690	5.02%	92.30%
	2023	0.0124520%	24,236	321,929	7.53%	89.58%
	2024	0.0102700%	30,629	304,435	10.06%	87.44%
Tier 2 Public Safety and Firefighter System						
	2014	n/a	-	-	-	0.00%
	2015	0.0264115%	(386)	15,750	-2.45%	110.70%
	2016	0.0916280%	(795)	75,705	-1.05%	103.60%
	2017	0.0807858%	(935)	85,261	-1.10%	103.00%
	2018	0.0475747%	1,192	64,228	1.86%	95.60%
	2019	0.0657374%	6,184	108,333	5.71%	89.60%
	2020	0.0566597%	5,082	111,206	4.57%	93.10%
	2021	0.0558999%	(2,825)	133,677	-2.11%	102.80%
	2022	0.0531967%	4,438	163,676	2.71%	96.40%
	2023	0.0508312%	19,148	192,601	9.94%	89.10%
	2024	0.0346006%	15,649	157,942	9.91%	90.10%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will be built prospectively. This schedule begins with December 31, 2014. Measurements dates are typically one year behind audit report dates.

Helper City
Schedules Required for Supplemental Pension Information
Schedule of Contributions

	Fiscal year ended December 31	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
Noncontributory System						
	2016	\$ 39,649	\$ 39,649	\$ -	\$ 225,135	17.61%
	2017	38,582	38,582	-	222,890	17.31%
	2018	38,305	38,305	-	224,098	17.09%
	2019	34,034	34,034	-	198,437	17.15%
	2020	33,162	33,162	-	190,514	17.41%
	2021	31,647	31,647	-	180,026	17.58%
	2022	26,888	26,888	-	153,912	17.47%
	2023	20,388	20,388	-	127,004	16.05%
	2024	15,162	15,162	-	98,372	15.41%
	2025	15,906	15,906	-	105,946	15.01%
Public Safety System						
	2016	\$ 59,043	\$ 59,043	\$ -	\$ 165,341	35.71%
	2017	53,685	53,685	-	150,335	35.71%
	2018	57,424	57,424	-	160,807	35.71%
	2019	45,053	45,053	-	126,163	35.71%
	2020	33,801	33,801	-	94,653	35.71%
	2021	22,422	22,422	-	62,790	35.71%
	2022	24,437	24,437	-	68,431	35.71%
	2023	23,369	23,369	-	65,440	35.71%
	2024	23,397	23,397	-	65,520	35.71%
	2025	6,211	6,211	-	17,640	35.21%
Tier 2 Public Employees System*						
	2016	\$ 11,853	\$ 11,853	\$ -	\$ 79,500	14.91%
	2017	11,202	11,202	-	75,131	14.91%
	2018	14,163	14,163	-	93,735	15.11%
	2019	16,903	16,903	-	108,771	15.54%
	2020	14,629	14,629	-	93,415	15.66%
	2021	17,116	17,116	-	108,331	15.80%
	2022	22,247	22,247	-	138,535	16.06%
	2023	47,016	47,016	-	293,666	16.01%
	2024	50,485	50,485	-	315,336	16.01%
	2025	46,397	46,397	-	305,440	15.19%
Tier 2 Public Safety and Firefighter System*						
	2016	\$ 12,883	\$ 12,883	\$ -	\$ 54,450	23.66%
	2017	17,676	17,676	-	74,709	23.66%
	2018	21,381	21,381	-	90,101	23.73%
	2019	16,656	16,656	-	68,685	24.25%
	2020	26,253	26,253	-	108,081	24.29%
	2021	36,117	36,117	-	133,814	26.99%
	2022	36,251	36,251	-	134,311	26.99%
	2023	51,980	51,980	-	192,592	26.99%
	2024	45,837	45,837	-	169,831	26.99%
	2025	52,428	52,428	-	197,917	26.49%
Tier 2 DC Public Safety and Firefighter System*						
	2022	\$ -	\$ -	\$ -	\$ -	0.00%
	2023	-	-	-	-	0.00%
	2024	2,281	2,281	-	17,556	12.99%
	2025	6,252	6,252	-	50,056	12.49%

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

Paragraph 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 due to rounding and other administrative issues. This schedule begins with June 30, 2015.

Notes to Required Supplementary Information: Changes in Assumptions

No changes were made in actuarial assumptions from the prior year's valuation.

Supplementary Information

Helper City
COMBINING BALANCE SHEET--NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

	Governmental Funds					
	<u>Redevelopment</u>	<u>General Capital</u>	<u>Museum Capital</u>	<u>Rio Hotel Capital</u>	<u>River Restoration</u>	
	<u>Agency Special</u>	<u>Projects Fund</u>	<u>Projects Fund</u>	<u>Projects Fund</u>	<u>Capital Projects</u>	
	<u>Revenue Fund</u>				<u>Fund</u>	<u>Total</u>
Assets						
Cash & savings	\$ -	\$ 145,683	\$ 1,147	\$ 5,576	\$ 54,154	\$ 206,560
Cash restricted	21,273	-	-	-	-	21,273
Accounts receivable, customers	-	-	-	-	-	-
Accounts receivable, property taxes	-	-	-	-	-	-
Accounts receivable, intergovernmental	-	-	-	-	-	-
Total assets	<u>\$ 21,273</u>	<u>\$ 145,683</u>	<u>\$ 1,147</u>	<u>\$ 5,576</u>	<u>\$ 54,154</u>	<u>\$ 227,833</u>
Liabilities and deferred inflows of resources						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-	-	-
Deferred grant revenue	-	-	-	-	53,272	53,272
Total liabilities	-	-	-	-	53,272	53,272
Deferred inflows:						
Property tax assessment unavailable	-	-	-	-	-	-
Delinquent property tax unavailable	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Total liabilities, deferred inflows of resources	-	-	-	-	53,272	53,272
Fund Balances						
Fund balances:						
Restricted:						
Community reinvestment	21,273	-	-	-	-	21,273
Roads	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-
Assigned	-	-	1,147	5,576	882	7,605
Unassigned	-	145,683	-	-	-	145,683
Total fund balances	<u>21,273</u>	<u>145,683</u>	<u>1,147</u>	<u>5,576</u>	<u>882</u>	<u>174,561</u>
Total liabilities, deferred inflows of resources, & fund balances	<u>\$ 21,273</u>	<u>\$ 145,683</u>	<u>\$ 1,147</u>	<u>\$ 5,576</u>	<u>\$ 54,154</u>	<u>\$ 227,833</u>

Helper City
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES--NONMAJOR GOVERNMENTAL FUNDS
For the year ending June 30, 2025

	Governmental Funds					
	<u>Redevelopment</u>				<u>River Restoration</u>	
	<u>Agency Special</u>	<u>General Capital</u>	<u>Museum Capital</u>	<u>Rio Hotel Capital</u>	<u>Capital Projects</u>	
	<u>Revenue Fund</u>	<u>Projects Fund</u>	<u>Projects Fund</u>	<u>Projects Fund</u>	<u>Fund</u>	<u>Total</u>
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Royalties and interest	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-	-
Total operating revenue	-	-	-	-	-	-
Expenditures						
General government	-	-	-	-	-	-
Fire protection	-	-	-	-	-	-
Police and courts	-	-	-	-	-	-
Roads	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Culture, recreation, parks	-	4,317	-	70	-	4,387
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total operating expenditures	-	4,317	-	70	-	4,387
Excess (deficiency) of revenues over (under) expenditures	-	(4,317)	-	(70)	-	(4,387)
Other financing sources and (uses)						
Loan proceeds	-	-	-	-	-	-
Operating transfers in (out)	-	-	-	-	-	-
Net change in fund balances	-	(4,317)	-	(70)	-	(4,387)
Fund balances--beginning of year	21,273	150,000	1,147	5,646	882	178,948
Fund balances--end of year	\$ 21,273	\$ 145,683	\$ 1,147	\$ 5,576	\$ 882	\$ 174,561

Government Reports

Aycock, Miles & Associates, CPAs, P.C.

Certified Public Accountants

58 East 100 North (83-13) • Roosevelt, Utah 84066 • Phone (435) 722-5153 • Fax (435) 722-5095

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Helper City Council

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and business-type activities of the Helper City as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Helper City's basic financial statements, and have issued our report thereon dated August 4, 2026.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) 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 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 that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance

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

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

Aycock, Miles & Associates, CPAs

Roosevelt, Utah
August 4, 2026

Aycock, Miles & Associates, CPAs, P.C.

Certified Public Accountants

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Independent Auditor's Report on Compliance for Each Major Program And on Internal Control over Compliance Required by the Uniform Guidance

Helper City Council

Report on Compliance for Each Major Federal Program

We have audited Helper City's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Helper City's major federal programs for the year ended June 30, 2025. Helper City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Helper City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Helper City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Helper City's compliance.

Opinion on Each Major Federal Program

In our opinion, Helper City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Report on Internal Control over Compliance

Management of Helper City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Helper City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Helper City's internal control over compliance.

Aycock, Miles & Associates, CPAs, P.C.

Certified Public Accountants

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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 detect and correct, noncompliance with a type of compliance requirement of a federal program 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 type of compliance requirement of a federal program 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 type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Aycock, Miles & Associates, CPAs

August 4, 2026
Roosevelt, Utah

Helper City
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Department	Assistance Listing Number	Grantor Agency	Sub-totals	Federal Expenditures
<u>United States Department of Justice</u>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Direct		\$ 4,285
Total United States Department of Justice			4,285	
<u>Department of the Treasury</u>				
Coronavirus State and Local Fiscal Recovery Funds (AF)	21.027	Utah Division of Drinking Water		\$ 1,164,449
Total Department of the Treasury			1,164,449	
<u>United States Environmental Protection Agency</u>				
Drinking Water State Revolving Fund	66.468	Utah Division of Drinking Water		\$ 54,902
Total United States Environmental Protection Agency			54,902	
Total Expenditures of Federal Awards				\$ 1,223,636

Note 1 — Basis of Presentation. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Helper City under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Helper City, it is not intended to and does not present the financial position, changes in net position, or cash flows of Helper City. Note 2 — Summary of Significant Accounting Policies. Expenditures reported on the Schedule are presented on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Note 3 — Indirect Cost Rate. Helper City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. Note 4 — Subrecipients. Helper City passed no federal awards through to subrecipients during the year ended June 30, 2025.

Schedule of Single Audit Results, Findings and Questioned Costs

This report discusses four key areas: 1) a summary of auditor's results, 2) findings related to the financial statements, and 3) findings and questioned costs related to federal awards.

SUMMARY OF AUDITORS' RESULTS

Financial Statement Opinion

The financial statement opinion for the City was an unqualified opinion.

Internal Control Reportable Conditions

No reportable conditions were disclosed during the audit of the City's financial statement.

Noncompliance Material to the Financial Statements

No instances of noncompliance material to the financial statements of the City were disclosed during the audit.

Major Program Internal Controls Over Compliance

No reportable conditions relating to the audit of the major federal award programs are indicated in the report on compliance and internal controls over compliance for major programs.

Opinion on Compliance for Major Programs

In our opinion, the City complied, in all material respects, with compliance requirements, laws, and regulations applicable to its major programs.

Audit Findings Required to be Disclosed under Uniform Guidance Section 200.516 for Major Programs

There were no reportable conditions regarding compliance or internal controls over major programs that are required to be reported under Uniform Guidance.

Major Programs Identified

Based on the high and low-risk criteria and threshold amounts there was one major program identified: 1) Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing Number 21.027).

Dollar Threshold Used to Determine Type A & B Programs

The threshold used in this Single Audit was \$750,000 in determining Type A or B programs.

Low-Risk or High-Risk Auditee

The City qualified to be a low-risk auditee.

Findings Related to the Financial Statements

- No prior or current year findings in this area.

Findings and Questioned Costs Related to Federal Awards

No prior or current year findings in this area

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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

City Council
Helper, Utah

Report On Compliance

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

State compliance requirements were tested for the year ended June 30, 2025, in the following areas: budgetary compliance, fund balance, restricted taxes and other related restricted revenue, fraud risk assessment, governmental fees, enterprise fund transfers, reimbursements, loans, and services, tax levy revenue recognition, and impact fees.

Opinion on Compliance

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

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for 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 the City's compliance with the requirements of the government program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis,

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Certified Public Accountants

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evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide* but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Guide and which are described in the finding and management responses accompanying schedule. Our opinion on compliance is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and recommendations. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report On Internal Control over Compliance

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

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

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

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

Aycock, Miles & Associates, CPAs

Roosevelt, Utah
August 4, 2026

Findings & Management Responses

2025-1 *Finding*—The Municipal Building Authority, sewer, and garbage fund exceeded their annual budget.

Criteria—Utah Code requires government entities to operate within legally adopted budgets.

Effect—This fund's budgets were less than actual costs.

Recommendation—We encourage the City Council to review their budget vs actual reports and modify their budget as necessary. All expenses, including depreciation, should be included in the budget calculation.

Management Response—The City Council will periodically assess the accuracy of the annual budget by fund and by department.