

Monticello City

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2025

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Monticello City
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June 30, 2025

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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

Independent Auditors' Report

Town Council
Monticello City

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 Monticello City, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town'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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Monticello 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 the Monticello 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 the Monticello 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.

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In performing an audit in accordance with generally accepted 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 Monticello City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Monticello 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 and analysis, the budgetary comparison schedule, and pension schedules with notes be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Aycock, Miles & Associates, CPAs

Roosevelt, Utah
January 15, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Monticello City
Management's Discussion and Analysis
June 30, 2025

As management of Monticello 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

- *Total net position for the City as a whole decreased by \$23,518
- *Total unrestricted net position for the City as a whole increased by \$410,144
- *Total net position for governmental activities decreased by \$53,468
- *Total net position for business-type activities increased by \$29,950

BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements of Monticello City. The basic financial statements comprise three components: (1) government wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

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, deferred outflows, liabilities, and deferred inflows, with the difference between them 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 City's net position changed during the fiscal year reported. 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.

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 statement of activities is presented on two pages. The first page reports the extent to which each function or program is self-supporting through fees and intergovernmental aid. The second page identifies the general revenues of the City available to cover any remaining costs of the functions or programs.

Monticello City
Management's Discussion and Analysis
June 30, 2025

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 also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. These funds are used to account for the same functions reported as governmental activities in 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.

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 government fund balance sheet and the government fund statement of the revenues, expenditures, and changes in fund balances provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains two major governmental funds, the general fund and the capital projects fund.

The City adopts an annual appropriated budget for all its funds. A budgetary comparison schedule has been provided to demonstrate legal compliance with the adopted budget for the general fund.

The basic governmental fund financial statements can be found later in this report; see Table of Contents.

Proprietary funds. The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses three enterprise funds to account for the operations of the water, sewer, and sanitation utilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise funds are considered major funds of the City.

The proprietary fund financial statements can be found later in this report; see 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. The notes to the financial statements are reported later in this report; see Table of Contents.

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

Monticello City
Management's Discussion and Analysis
June 30, 2025

FINANCIAL ANALYSIS

Monticello City's Net Position

	Governmental Activities		Business-type Activities		Total	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Current and other assets	\$ 3,525,354	3,249,465	1,896,247	1,686,815	5,421,601	4,936,280
Non-current assets	14,511,324	14,453,221	11,397,362	11,662,653	25,908,686	26,115,874
Deferred outflows of resources	91,238	78,738	65,920	78,737	157,158	157,475
Total assets and deferred outflows	18,127,917	17,781,424	13,359,528	13,428,205	31,487,445	31,209,630
Current liabilities	668,780	523,539	185,616	202,595	854,396	726,134
Long-term liabilities	1,983,203	1,697,535	1,871,014	1,951,592	3,854,217	3,649,127
Deferred inflows of resources	293,642	324,590	1,620	2,691	295,262	327,281
Total liabilities and deferred inflows	2,945,625	2,545,664	2,058,250	2,156,878	5,003,875	4,702,542
Net position:						
Net investment in capital assets	11,608,019	12,087,607	9,358,999	9,503,513	20,967,018	21,591,120
Restricted	845,678	655,238	210,614	210,614	1,056,292	865,852
Unrestricted	2,728,595	2,492,915	1,731,664	1,557,200	4,460,259	4,050,115
Total net position	\$ 15,182,292	15,235,760	11,301,278	11,271,327	26,483,570	26,507,087

As noted earlier, net position may serve over time as a useful indicator of financial position. Total assets and deferred outflows of resources exceeded total liabilities and deferred inflow of resources at the close of the year by \$26,483,570, a decrease of \$23,518 from the previous year. This change is equivalent to the net income for the year, in private sector terms.

Total unrestricted net position at the end of the year is \$4,460,259, which represents an increase of \$410,144 from the previous year. Unrestricted net position are those resources available to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

The amount of current and other assets represent the amounts of cash and receivables on hand at the end of each year. Other liabilities are the amounts of current and other liabilities due, at year end, for goods and services acquired.

Changes in capital assets are the result of the difference, in the current year, of the cost of acquisition of capital assets and any depreciation charges on capital assets. Change in long-term debt is the difference in the amount of debt issued and that which has been paid during the year.

Monticello City
Management's Discussion and Analysis
June 30, 2025

FINANCIAL ANALYSIS (continued)

Monticello City's Change in Net Position

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Program revenues:						
Charges for services	\$ 1,011,552	956,951	1,243,430	1,309,092	2,254,982	2,266,044
Operating grants	530,333	455,847	-	-	530,333	455,847
Capital grants	182,747	222,157	-	-	182,747	222,157
General revenues:						
Property taxes	299,872	324,106	-	-	299,872	324,106
Sales tax	803,891	790,091	-	-	803,891	790,091
Other taxes	96,183	93,638	-	-	96,183	93,638
Other revenues	281,661	282,101	(16,653)	23,933	265,007	306,034
Total revenues	3,206,239	3,124,891	1,226,777	1,333,025	4,433,016	4,457,916
Expenses:						
General government	1,031,791	816,920	-	-	1,031,791	816,920
Public safety	308,473	300,835	-	-	308,473	300,835
Highways and improvements	731,826	1,023,980	-	-	731,826	1,023,980
Parks and recreation	542,888	507,267	-	-	542,888	507,267
Golf course	610,477	499,446	-	-	610,477	499,446
Interest on long-term debt	34,252	46,625	-	-	34,252	46,625
Water	-	-	642,221	650,929	642,221	650,929
Sewer	-	-	215,439	206,137	215,439	206,137
Sanitation	-	-	339,167	294,114	339,167	294,114
Total expenses	3,259,707	3,195,072	1,196,827	1,151,179	4,456,534	4,346,251
Excess (deficiency) before transfer:	(53,468)	(70,181)	29,950	181,846	(23,518)	111,664
Transfers in (out)	-	-	-	-	-	-
Change in net position	\$ (53,468)	(70,181)	29,950	181,846	(23,518)	111,664

For the City as a whole, total revenues decreased by \$24,899 compared to the previous year, while total expenses increased by \$110,283. The total net change of \$23,518 is, in private sector terms, the net loss for the year which is \$135,181 less than the previous year's net change (net income).

Governmental activities revenues of \$3,206,239 is an increase of \$81,348 from the previous year. This is primarily due to an increase in grant revenues over the previous year. Governmental activities expenses of \$3,259,707 is an increase of \$64,635 from the previous year.

Business-type activities revenue of \$1,226,777 is a decrease of \$106,248 from the previous year. Business-type activities expenses of \$1,196,827 is an increase of \$45,648 from the previous year.

Monticello City
Management's Discussion and Analysis
June 30, 2025

BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

Some of the more significant changes in fund balances and fund net position, and any restrictions on those amounts, is described below:

General Fund

The fund balance of \$1,622,915, reflects an increase of \$282,679 from the previous year. Total revenues decreased by \$161,933. Tax revenues, including property taxes and sales taxes, increased by \$3,450. Intergovernmental revenue decreased by \$178,334. All other revenues increased by \$12,950.

Total expenditures, excluding transfers, increased by \$368,375. Current expenditure changes by department were as follows: general government increased by \$56,258; public safety increased by \$15,276; highways and public improvements decreased by \$322,222; parks and recreation increased by \$48,356; and golf course decreased by \$10,178. Debt service expenditures increased by \$76,574.

Total transfers out during the year amounted to \$40,000.

Water Fund

Net operating loss for the year was \$37,531 compared to the previous year net operating income of \$26,798. The change in net position (net loss) was \$92,500 compared to the previous year's net income of \$11,007.

The unrestricted net position amounts to \$495,502.

Sewer Fund

Net operating income for the year was \$46,761 compared to the previous year net operating income of \$62,056. The change in net position (net income) was \$50,420 compared to the previous year's net income of \$65,975.

The unrestricted net position amounts to \$28,667.

Sanitation Fund

Net operating income for the year was \$67,488 compared to the previous year net operating income of \$100,000. The change in net position (net income) was \$72,031 compared to the previous year's net income of \$104,864.

The unrestricted net position amounts to \$583,491.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues for the current year, exclusive of transfers and fund balance appropriations, were originally budgeted in the amount of \$2,160,785. This amount was amended to \$2,393,135. Actual revenues amounted to \$2,579,334, which was \$186,199 over the budgeted amount.

Expenditures for the current year, exclusive of transfers, were originally budgeted in the amount of \$2,122,234. This amount was amended to \$2,280,382. Actual expenditures amounted to \$2,738,620, which was \$458,238 over the budgeted amount.

Transfers out for the year were originally budgeted in the amount of \$31,000. The final budget for transfers out was for the amount of \$72,000. Actual transfers out were made in the amount of \$40,000.

Monticello City
Management's Discussion and Analysis
June 30, 2025

CAPITAL ASSETS AND DEBT ADMINISTRATION

Monticello City's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Net Capital Assets:						
Construction in progress	\$ 8,011	-	561,424	400,979	569,435	400,979
Land and water rights	1,823,973	1,823,973	2,686,888	2,686,888	4,510,861	4,510,861
Buildings	5,705,857	5,705,857	97,581	97,581	5,803,438	5,803,438
Improvements other than buildings	21,220,697	20,905,562	-	-	21,220,697	20,905,562
Machinery and equipment	2,353,639	1,956,819	993,545	964,922	3,347,184	2,921,741
Water system	-	-	16,528,962	16,528,962	16,528,962	16,528,962
Sewer System	-	-	3,827,538	3,827,538	3,827,538	3,827,538
Sanitation	-	-	11,867	11,867	11,867	11,867
Total	31,112,177	30,392,211	24,707,804	24,518,737	55,819,982	54,910,947
Less accumulated depreciation	(17,446,531)	(16,713,518)	(13,521,057)	(13,066,697)	(30,967,588)	(29,780,215)
Net Capital Assets	\$ 13,665,646	13,678,693	11,186,748	11,452,039	24,852,394	25,130,732

The total amount of capital assets, net of depreciation, of \$24,852,394 is a decrease of \$278,338 from the previous year.

Governmental activities capital assets, net of depreciation, of \$13,665,646 is a decrease of \$13,047 from the previous year.

Business-type activities capital assets, net of depreciation, of \$11,186,748 is a decrease of \$265,292 from the previous year.

Additional information regarding capital assets may be found in the notes to financial statements.

Monticello City
Management's Discussion and Analysis
June 30, 2025

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Monticello City's Outstanding Debt

	Current Year	Previous Year
Governmental activities:		
2006 MBA Lease Revenue	\$ 120,000	130,000
2009 MBA Lease Revenue	765,000	765,000
2014 MBA Lease Revenue	715,000	745,000
2024 John Deere Triplex Mower	41,601	50,254
2024 Yamaha Lease	173,910	-
24 John Deere 2 Mower Lease	154,726	-
24 Vehicle Lease United Fleet	87,390	-
2020 Yamaha Lease	-	20,122
Total governmental	\$ 2,057,627	1,710,376
Business-type activities:		
1997 SJWC District	\$ -	30,004
2004 Culinary Meter Instalation	20,000	24,000
2006 Mtn. Collection System	695,581	715,355
2008 State Road Utilities Sewer	244,000	261,000
2008 State Road Utilities Water	228,000	244,000
2010 595 Water Project	82,000	88,000
2013 Secondary Water System	558,167	586,167
Total business-type	\$ 1,827,748	1,948,526
Total outstanding debt	\$ 3,885,376	3,658,902

Additional information regarding the long-term liabilities may be found in the notes to financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

No significant economic changes that would affect the City are expected for the next year. Budgets have been set on essentially the same factors as the current year being reported.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Myton City Corporation's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the City Recorder or City Manager at 17 N 100 E, Monticello, UT 84535.

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BASIC FINANCIAL STATEMENTS

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Monticello City
STATEMENT OF NET POSITION
June 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Current assets:			
Cash and cash equivalents	\$ 2,987,206	1,786,313	4,773,519
Accounts receivable, net	538,148	109,934	648,082
Other assets	-	-	-
Total current assets	<u>3,525,354</u>	<u>1,896,247</u>	<u>5,421,601</u>
Non-current assets:			
Restricted cash and cash equivalents	845,678	210,614	1,056,292
Capital assets:			
Not being depreciated	1,831,984	3,248,312	5,080,296
Net of accumulated depreciation	<u>11,833,662</u>	<u>7,938,436</u>	<u>19,772,098</u>
Total non-current assets	<u>14,511,324</u>	<u>11,397,362</u>	<u>25,908,686</u>
Total assets	<u>18,036,679</u>	<u>13,293,608</u>	<u>31,330,287</u>
Deferred outflows of resources - pensions	91,238	65,920	157,158
Total assets and deferred outflows of resources	<u>\$ 18,127,917</u>	<u>13,359,528</u>	<u>31,487,445</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 156,766	43,919	200,685
Accrued liabilities	124,606	-	124,606
Customer deposits	-	48,950	48,950
Deferred grant revenue	160,397	-	160,397
Accrued interest payable	852	972	1,824
Long-term debt due within one year	<u>226,160</u>	<u>91,775</u>	<u>317,934</u>
Total current liabilities	<u>668,780</u>	<u>185,616</u>	<u>854,396</u>
Non-current liabilities:			
Compensated absences	85,817	53,413	139,230
Net pension liability	65,918	47,626	113,544
Landfill post closure	-	34,002	34,002
Long-term debt due after one year	<u>1,831,468</u>	<u>1,735,973</u>	<u>3,567,441</u>
Total non-current liabilities	<u>1,983,203</u>	<u>1,871,014</u>	<u>3,854,217</u>
Total liabilities	<u>2,651,983</u>	<u>2,056,630</u>	<u>4,708,613</u>
Deferred inflows of resources	293,642	1,620	295,262
Total liabilities and deferred inflows of resources	<u>2,945,625</u>	<u>2,058,250</u>	<u>5,003,875</u>
NET POSITION:			
Net investment in capital assets	11,608,019	9,358,999	20,967,018
Restricted for:			
Roads	659,773	-	659,773
Transient room tax	-	-	-
Debt service	185,905	210,614	396,519
Unrestricted	<u>2,728,595</u>	<u>1,731,664</u>	<u>4,460,259</u>
Total net position	<u>15,182,292</u>	<u>11,301,278</u>	<u>26,483,570</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 18,127,917</u>	<u>13,359,528</u>	<u>31,487,445</u>

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

Monticello City
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue (To Next Page)
<u>FUNCTIONS/PROGRAMS:</u>					
Primary government:					
Governmental activities:					
General government	\$ 1,031,791	114,761	59,989	-	(857,041)
Public safety	308,473	269,753	-	-	(38,720)
Highways and public improvements	731,826	7,115	452,196	182,747	(89,767)
Parks and recreation	542,888	65,808	18,147	-	(458,933)
Golf course	610,477	554,115	-	-	(56,362)
Interest expense	34,252	-	-	-	(34,252)
Total governmental activities	3,259,707	1,011,552	530,333	182,747	(1,535,075)
Business-type activities:					
Water	642,221	574,574	-	-	(67,646)
Sewer	215,439	262,200	-	-	46,761
Sanitation	339,167	406,656	-	-	67,488
Total business-type activities	1,196,827	1,243,430	-	-	46,603
Total primary government	\$ 4,456,534	2,254,982	530,333	182,747	(1,488,472)

(continued on next page)

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

Monticello City
STATEMENT OF ACTIVITIES (continued)
For the Year Ended June 30, 2025

	Governmental Activities	Business-type Activities	Total
CHANGES IN NET POSITION:			
Net (expense) revenue (from previous page)	\$ (1,535,075)	46,603	(1,488,472)
General revenues:			
Property taxes	299,872	-	299,872
Sales tax	803,891	-	803,891
Other taxes	96,183	-	96,183
Unrestricted investment earnings	218,961	22,347	241,307
Gain (loss) from retirement of capital assets	-	(39,000)	(39,000)
Miscellaneous	62,700	-	62,700
Total general revenues	1,481,607	(16,653)	1,464,954
Change in net position	(53,468)	29,950	(23,518)
Net position - beginning	15,235,760	11,271,327	26,507,087
Net position - ending	\$ 15,182,292	11,301,278	26,483,570

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

Monticello City
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2025

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,060,100	1,896,139	30,968	2,987,206
Accounts receivable, net of allowances	513,375	-	24,773	538,148
Due from other funds	141,320	-	-	141,320
Other assets	-	-	-	-
Restricted cash and cash equivalents	659,773	-	185,905	845,678
TOTAL ASSETS	\$ 2,374,568	1,896,139	241,646	4,512,353
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities:				
Accounts payable	\$ 153,239	-	3,527	156,766
Accrued liabilities	122,552	-	2,054	124,606
Deferred grant revenue	160,397	-	-	160,397
Due to other funds	-	-	141,320	141,320
Total liabilities	436,188	-	146,901	583,089
Deferred inflows of resources	315,466	-	-	315,466
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	751,654	-	146,901	898,554
FUND BALANCES:				
Restricted for:				
Roads	659,773	-	-	659,773
Transient room tax	-	-	-	-
Debt service	-	-	185,905	185,905
Assigned for:				
Capital projects	-	1,896,139	-	1,896,139
Special revenue funds	-	-	28,860	28,860
Unassigned	963,141	-	(120,019)	843,122
TOTAL FUND BALANCES	1,622,915	1,896,139	94,745	3,613,799
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,374,568	1,896,139	241,646	4,512,353

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

Monticello City
**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**
For the Year Ended June 30, 2025

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 1,206,098	-	-	1,206,098
License and permits	31,686	-	-	31,686
Intergovernmental revenues	235,958	437,247	39,874	713,080
Charges for services	625,947	-	84,277	710,223
Fines and forfeitures	269,643	-	-	269,643
Interest	163,573	44,553	10,834	218,961
Miscellaneous revenue	46,429	-	16,271	62,700
Total revenues	2,579,334	481,801	151,256	3,212,391
Expenditures:				
Current:				
General government	840,549	133,084	-	973,632
Public safety	299,224	-	-	299,224
Highways and public improvements	220,743	-	-	220,743
Parks and recreation	259,039	-	78,679	337,718
Golf course	517,285	-	-	517,285
Capital outlay	483,954	234,166	-	718,120
Debt service:				
Principal	94,714	-	40,000	134,714
Interest	23,113	-	11,175	34,288
Total expenditures	2,738,620	367,250	129,854	3,235,724
Excess (deficiency) of revenues over (under) expenditures	(159,286)	114,551	21,402	(23,333)
Other financing sources and (uses):				
Lease proceeds	481,965	-	-	481,965
Transfers in	-	-	40,000	40,000
Transfers (out)	(40,000)	-	-	(40,000)
Total other financing sources and (uses)	441,965	-	40,000	481,965
Net change in fund balances	282,679	114,551	61,402	458,632
Fund balances - beginning of year	1,340,235	1,781,588	33,344	3,155,167
Fund balance - end of year	\$ 1,622,915	1,896,139	94,745	3,613,799

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

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

Total Fund Balance for Governmental Funds	<u>\$ 3,613,799</u>
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds:	
Capital assets, at cost	31,112,177
Less accumulated depreciation	<u>(17,446,531)</u>
Net capital assets	<u>13,665,646</u>
Net pension assets, non-current assets that apply to future periods, are not shown in the funds statements	<u>-</u>
Deferred outflows of resources - pensions, a consumption of net position that applies to future periods, is not shown in the funds statements.	<u>91,238</u>
Long-term liabilities, for funds other than enterprise funds, are recorded in the government-wide statements but not in the fund statements.	
General long-term debt	<u>(2,057,627)</u>
Accrued interest payable	<u>(852)</u>
Compensated absences	<u>(85,817)</u>
Net pension liability	<u>(65,918)</u>
Certain revenue is deferred in governmental funds but not in the statement of net position because it qualifies for recognition under the economic resources measurement focus.	
Delinquent property tax deferred	<u>24,067</u>
Deferred inflows of resources - pensions	<u>(2,243)</u>
Total Net Position of Governmental Activities	<u><u>\$ 15,182,292</u></u>

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

Monticello City
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ 458,632
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with a material cost are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expenses.

Capital outlays	718,120
Depreciation expense	(850,458)
Net	(132,338)

The Statement of Activities show pension benefits and pension expenses from the adoption of GASB 68 that are not shown in the fund statements.	(9,041)
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Lease proceeds	(481,965)
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Long-term debt principal repayments	134,714
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest payable	36
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Change in compensated absences	(17,355)
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Governmental funds do not report certain revenues because these revenues are not available for current period expenses.

Change in deferred inflow of resources - delinquent property tax	(6,151)
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Change in Net Position of Governmental Activities	\$ (53,468)
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The notes to the financial statements are an integral part of this statement.

Monticello City
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2025

	Water Fund	Sewer Fund	Sanitation Fund	Total Enterprise Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:				
Assets:				
Current assets:				
Cash and cash equivalents	\$ 527,196	662,706	596,411	1,786,313
Accounts receivable, net	48,307	22,952	38,675	109,934
Other current assets	-	-	-	-
Total current assets	<u>575,503</u>	<u>685,658</u>	<u>635,086</u>	<u>1,896,247</u>
Non-current assets:				
Restricted cash and cash equivalents	146,297	28,667	35,650	210,614
Capital assets:				
Not being depreciated	3,114,886	133,425	-	3,248,312
Net of accumulated depreciation	6,756,046	862,641	319,749	7,938,436
Total non-current assets	<u>10,017,230</u>	<u>1,024,733</u>	<u>355,399</u>	<u>11,397,362</u>
Total assets	<u>10,592,733</u>	<u>1,710,390</u>	<u>990,485</u>	<u>13,293,608</u>
Deferred outflows of resources - pensions	14,691	22,106	29,123	65,920
Total assets and deferred outflows of resources	<u>\$ 10,607,424</u>	<u>1,732,496</u>	<u>1,019,608</u>	<u>13,359,528</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 19,574	14,814	9,531	43,919
Accrued liabilities	-	-	-	-
Customer security deposits	48,950	-	-	48,950
Accrued interest payable	972	-	-	972
Revenue bonds, current portion	74,775	17,000	-	91,775
Total current liabilities	<u>144,271</u>	<u>31,814</u>	<u>9,531</u>	<u>185,616</u>
Non-current liabilities:				
Compensated absences	14,221	23,764	15,428	53,413
Net pension liability	10,614	15,971	21,041	47,626
Landfill post closure	-	-	34,002	34,002
Revenue bonds, long-term portion	1,508,973	227,000	-	1,735,973
Total non-current liabilities	<u>1,533,809</u>	<u>266,735</u>	<u>70,471</u>	<u>1,871,014</u>
Total liabilities	<u>1,678,079</u>	<u>298,549</u>	<u>80,002</u>	<u>2,056,630</u>
Deferred inflows of resources - pensions	361	543	716	1,620
Total liabilities and deferred inflows of resources	<u>1,678,440</u>	<u>299,092</u>	<u>80,718</u>	<u>2,058,250</u>
NET POSITION:				
Net investment in capital assets	8,287,184	752,066	319,749	9,358,999
Restricted for:				
Debt service	146,297	28,667	35,650	210,614
Unrestricted	495,502	652,671	583,491	1,731,664
Total net position	<u>8,928,984</u>	<u>1,433,404</u>	<u>938,890</u>	<u>11,301,278</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 10,607,424</u>	<u>1,732,496</u>	<u>1,019,608</u>	<u>13,359,528</u>

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

Monticello City
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	Water Fund	Sewer Fund	Sanitation Fund	Total Enterprise Funds
Operating income:				
Charges for sales and service	\$ 539,659	262,034	406,442	1,208,135
Connection fees	850	-	-	850
Other operating income	34,066	166	214	34,445
Total operating income	574,574	262,200	406,656	2,158,408
Operating expenses:				
Personnel services	100,410	135,074	175,976	411,459
Utilities	17,431	3,312	-	20,743
Repair and maintenance	77,578	6,679	123,706	207,963
Professional and technical	5,690	242	50	5,982
Insurance	15,000	16,467	10,000	41,467
Other supplies and expenses	18,844	3,479	2,414	24,737
Bad debt expense	-	-	-	-
Depreciation expense	377,152	50,186	27,022	454,360
Total operating expense	612,106	215,439	339,167	1,166,712
Net operating income (loss)	(37,531)	46,761	67,488	76,718
Non-operating income (expense):				
Interest income	14,146	3,659	4,542	22,347
Gain (loss) from retirement of capital assets	(39,000)	-	-	(39,000)
Interest on long-term debt	(30,115)	-	-	(30,115)
Total non-operating income (expense)	(54,969)	3,659	4,542	(46,768)
Change in net position	(92,500)	50,420	72,031	29,950
Net position - beginning	9,021,484	1,382,984	866,859	11,271,327
Net position - ending	\$ 8,928,984	1,433,404	938,890	11,301,278

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

Monticello City
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	Water Fund	Sewer Fund	Sanitation Fund	Total Enterprise Funds
Cash flows from operating activities:				
Cash received from customers - service	\$ 574,267	263,530	405,897	1,243,694
Cash paid to suppliers	(125,492)	(19,541)	(135,456)	(280,490)
Cash paid to employees	(93,310)	(129,703)	(166,855)	(389,868)
Net cash provided (used) in operating activities	355,465	114,286	103,586	573,336
Cash flows from noncapital financing activities:				
Change in customer deposits	(7,000)	-	-	(7,000)
Net cash provided (used) in noncapital financing activities	(7,000)	-	-	(7,000)
Cash flows from capital and related financing activities:				
Cash from sale of capital assets	-	-	-	-
Cash payments for capital assets	(179,330)	(20,115)	(28,623)	(228,068)
Cash payments for long-term debt principal	(103,778)	(17,000)	-	(120,778)
Cash payments for long-term debt interest	(30,143)	-	-	(30,143)
Net cash provided (used) in capital and related financing activities	(313,250)	(37,115)	(28,623)	(378,988)
Cash flows from investing activities:				
Cash received from interest earned	14,146	3,659	4,542	22,347
Net cash provided (used) in investing activities	14,146	3,659	4,542	22,347
Net increase (decrease) in cash	49,360	80,830	79,505	209,695
Cash balance - beginning	624,133	610,543	552,556	1,787,232
Cash balance - ending	\$ 673,493	691,372	632,061	1,996,927
Cash reported on the statement of net position:				
Cash and cash equivalents	\$ 527,196	662,706	596,411	1,786,313
Non-current restricted cash	146,297	28,667	35,650	210,614
Total cash and cash equivalents	\$ 673,493	691,372	632,061	1,996,927

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

Monticello City
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
For the Year Ended June 30, 2025

Reconciliation of Operating Income to Net Cash Provided (Used) in Operating Activities:	Water Fund	Sewer Fund	Sanitation Fund	Total Enterprise Funds
Net operating income (expense)	\$ (37,531)	46,761	67,488	76,718
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:				
Depreciation and amortization	377,152	50,186	27,022	454,360
Changes in assets and liabilities:				
(Increase) decrease in receivables	(307)	1,330	(759)	264
(Increase) decrease in net pension assets	-	-	-	-
(Increase) decrease in deferred outflows	7,054	2,402	3,362	12,817
Increase (decrease) in payables	9,052	10,638	714	20,403
Increase (decrease) in accrued liabilities	(278)	(373)	(72)	(723)
Increase (decrease) in compensated absences	2,223	1,338	3,309	6,870
Increase (decrease) in net pension liabilities	(1,518)	2,298	2,917	3,698
Increase (decrease) in deferred inflows	(382)	(294)	(394)	(1,071)
Net cash provided (used) in operating activities	\$ 355,465	114,286	103,586	573,336

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

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1-A. Reporting entity

Monticello City (the City), a municipal corporation located in San Juan County, Utah, operates under a Mayor-Council form of government. The accompanying financial statements present the City and its component units (if any), entities for which the City is considered to be financially accountable because of the significance of their operational or financial relationships with the City.

The City has no component units and is not a component unit of another entity.

1-B. Government-wide and fund financial statements

Government-wide Financial Statements

The government-wide financial statements, consisting of the statement of net position and the statement of activities report information on all the non-fiduciary activities of the primary government and its component units. For the most part, the effect of 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 on fees and charges for support.

The statement of net position reports the financial position of the governmental and business-type activities of the City and its discretely presented component units at year-end.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. 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.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, if any, 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 statement.

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

1-C. 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 statements are reported using the economic resources measurement focus and the accrual basis of accounting, generally including the reclassification of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments or payments to the general fund by other funds for providing administrative and billing services for such funds. Reimbursements are reported as reductions to expenses. Proprietary and any fiduciary fund financial statements are also reported using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when the grantor eligibility requirements are met.

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

Property taxes, sales taxes, intergovernmental revenues, 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, if any, receivable 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. *Restricted assets, non-current* reports assets restricted for acquisition or construction of non-current assets, or are restricted for liquidation of long-term debt.

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

1-D. Fund types and major funds

Governmental funds

The City reports the following major governmental funds:

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

The *capital projects fund* is used to account for the acquisition or construction of the capital facilities of the City (other than those financed by proprietary funds).

Proprietary funds

The City reports the following major proprietary funds:

The *water fund* is used to account for the resources and expenses in the operating and maintenance of providing water services to the residents of the City.

The *sewer fund* is used to account for the resources and expenses in the operating and maintenance of providing sewer services to the residents of the City.

The *sanitation fund* is used to account for the resources and expenses associated with the collection and disposal of garbage services to the residents of the City.

1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1-E-1. Deposit and Investments

Cash includes cash on hand, demand deposits with bank and other financial institutions, deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition. The City's policy allows for investment in fund in time certificates of deposit with federally insured depositories, investment in the state treasurer's pool, and other investments as allowed by the State of Utah's Money Management Act. All investments are carried at fair value with unrealized gains and losses recorded as adjustments to interest earnings. Fair market values are based on quoted market prices.

1-E-2. Cash and Cash Equivalents

The City'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.

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(continued)**

1-E-3. *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 allowance for uncollectable accounts. Due to the nature of the accounts receivable, management does not consider an allowance for uncollectible accounts receivable necessary or material. Therefore, no allowance for uncollectable accounts receivable is presented.

During the course of operations, there may be transactions that 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 are assessed and collected for the City by San Juan County and remitted to the City shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

1-E-4. *Restricted Assets*

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.

1-E-5. *Inventories and Prepaid items*

Other inventories, which mainly consist of immaterial amounts of expendable supplies for consumption, are not reported. Such supplies are acquired as needed. Proprietary fund inventories, where material, are stated at the lower of cost or market, using the first-in, first-out basis.

Prepaid items record payments to vendors that benefit future reporting and are reported on the consumption basis. Both inventories and prepayments are similarly reported in government-wide and fund financial statements.

1-E-6. *Capital Assets*

Capital assets includes property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and 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 at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure is depreciated.

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(continued)**

1-E-6. Capital Assets (continued)

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend the assets' life is 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.

Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives.

Property, plant, and equipment of the primary government, as well as the component units if any, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10-50
Improvements other than buildings	10-50
Machinery and equipment	5-10

1-E-7. 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 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. Bonds payable 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.

1-E-8. 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. The City reports deferred outflows of resources relating to pensions as required by GASB 68.

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 then. The City has two types of items that qualify for reporting in this category. The governmental funds report deferred revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period for which they are levied. The City also reports deferred inflows related to pensions as required by GASB 68, as well as deferred ARPA monies.

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(continued)**

1-E-9. Pensions

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

1-E-10. 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.

1-E-11. 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 and 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.

1-E-12. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by formal action of the City's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(continued)**

1-E-12. Fund balance policies (continued)

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the City Council to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance is a 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 a specific purpose within the General Fund.

1-F. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results may differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2-A. Budgetary data

In accordance with State Law, annual budgets are reported and adopted by the City Council on or before June 22 for the fiscal year commencing the following July 1. Prior to June 22, an advertised public hearing is conducted to receive taxpayer input. The operating budgets include proposed revenues and expenditures. Control of budget appropriations is exercised under State Law at the department level. Budget amendments are required to increase expenditure budgets and are adopted following a public hearing before the end of the fiscal year. During the current fiscal year budget amendments were made to prevent budget overruns and to increase revenue estimates and appropriations for unanticipated revenues and expenditures. The governmental fund type budgets are prepared using the modified accrual basis of accounting. Budgets for the proprietary funds are prepared using the accrual basis of accounting.

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

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

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 3 - DETAILED NOTES

3-A. Deposits and investments

Cash and investments as of June 30, 2025, consist of the following:

	Fair Value
Demand deposits - checking	\$ 271,925
Investments - PTIF	5,557,886
Total cash	\$ 5,829,811

Cash and investments listed above are classified in the accompanying government-wide statement of net position as follows:

Cash and cash equivalents (current)	\$ 4,773,519
Restricted cash and cash equivalents (non-current)	1,056,292
Total cash and cash equivalents	\$ 5,829,811

Cash equivalents and investments are carried at fair value in accordance with GASB Statement No. 72.

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. 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.

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3-A. Deposits and investments (continued)

Fair value of investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows: Level 1--Quoted prices for identical investments in active markets; Level 2--Observable inputs other than quoted market prices; and, Level 3--Unobservable inputs. At June 30, 2025, the City had \$5,557,886 invested in the PTIF, which uses a Level 2 fair value measurement.

Deposit and investment risk

The City maintains no 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.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. All deposits and investments of the City are available immediately.

Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. At June 30, 2025, \$250,000 of the City's demand deposits of \$251,048 were insured.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. This risk is addressed through the policy of investing excess monies only in PTIF.

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. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

3-B. Receivables

The allowance policy is described in Note 1-E-3. Receivables as of year-end for the City's funds are shown below:

	Governmental Funds	Water Fund	Sewer Fund	Sanitation Fund	Total
Customers, current	\$ 4,608	51,298	24,465	41,037	121,408
Property tax	311,567	-	-	-	311,567
Intergovernmental	221,974	-	-	-	221,974
Total receivables	538,148	51,298	24,465	41,037	654,948
Allowance for uncollectibles	-	(2,991)	(1,513)	(2,363)	(6,866)
Net receivables	\$ 538,148	48,307	22,952	38,675	648,082

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3-C. Capital assets

Capital asset activity for governmental activities was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land rights	\$ 1,823,973	-	-	1,823,973
Construction in progress	119,291	203,855	315,135	8,011
Total capital assets, not being depreciated	1,943,264	203,855	315,135	1,831,984
Capital assets, being depreciated:				
Buildings	5,705,857	-	-	5,705,857
Improvements other than buildings	20,905,562	315,135	-	21,220,697
Machinery and equipment	1,956,819	514,265	117,445	2,353,639
Total capital assets, being depreciated	28,568,238	829,400	117,445	29,280,193
Less accumulated depreciation for:				
Buildings	1,783,657	144,687	-	1,928,344
Improvements other than buildings	13,143,219	555,745	-	13,698,964
Machinery and equipment	1,786,642	150,026	117,445	1,819,224
Total accumulated depreciation	16,713,518	850,458	117,445	17,446,531
Total capital assets being depreciated, net	11,854,720	(21,058)	-	11,833,662
Governmental activities capital assets, net	\$ 13,797,984	182,798	315,135	13,665,646

Depreciation expense was charged to functions/programs of the primary government governmental activities was follows:

Governmental activities:

General government	\$ 31,763
Public safety	9,249
Highways and public improvements	511,083
Parks, recreation and public property	205,170
Golf	93,192
Total	\$ 850,458

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3-C. Capital assets (continued)

Capital asset activity for the business-type activities was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Land and water rights	\$ 2,686,888	-	-	2,686,888
Construction in progress	400,979	160,445	-	561,424
Total capital assets, not being depreciated	3,087,867	160,445	-	3,248,312
Capital assets, being depreciated:				
Water system	16,528,962	39,000	39,000	16,528,962
Sewer system	3,827,538	-	-	3,827,538
Sanitation	11,867	-	-	11,867
Buildings	97,581	-	-	97,581
Machinery and equipment	964,922	28,623	-	993,545
Total capital assets, being depreciated	21,430,870	67,623	39,000	21,459,493
Less accumulated depreciation for:				
Water system	9,414,862	374,872	-	9,789,734
Sewer system	2,939,633	42,536	-	2,982,169
Sanitation	11,867	-	-	11,867
Buildings	97,581	-	-	97,581
Machinery and equipment	602,755	36,951	-	639,706
Total accumulated depreciation	13,066,697	454,360	-	13,521,057
Total capital assets being depreciated, net	8,364,173	(386,737)	39,000	7,938,436
Business-type activities capital assets, net	\$ 11,452,039	(226,292)	39,000	11,186,748

Depreciation expense was charged to functions/programs of the primary government business-type activities was follows:

Business-type activities:

Water	\$ 377,152
Sewer	50,186
Sanitation	27,022
Total	\$ 454,360

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3-D. Long-term liabilities

Long-term debt activity for the governmental activities was as follows:

	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2006 MBA Lease Revenue							
Matures 4/1/2037	\$ 300,000	0.00	\$ 130,000	-	10,000	120,000	10,000
2009 MBA Lease Revenue							
Matures 7/1/2041	1,350,000	0.00	765,000	-	-	765,000	45,000
2014 MBA Lease Revenue							
Matures 6/1/2045	1,000,000	1.50	745,000	-	30,000	715,000	31,000
2020 Yamaha Lease							
Matured FY25	61,184	4.20	20,122	-	20,122	-	-
2024 John Deere Triplex Mower							
Matures 6/03/2029	50,254	7.25	50,254	-	8,653	41,601	9,301
2024 Yamaha Lease							
Matures 1/1/2030	203,156	6.36	-	203,156	29,246	173,910	33,783
24 John Deere 2 Mower Lease							
Matures 9/28/2029	177,875	6.50	-	177,875	23,149	154,726	32,669
24 Vehicle Lease United Fleet							
Matures 11/1/2028	100,934	5.95	-	100,934	13,545	87,390	64,406
Total governmental activity							
long-term liabilities			\$ 1,710,376	481,965	134,714	2,057,627	226,160

Debt service requirements to maturity for governmental activities are as follows:

	Principal	Interest	Total
2026	\$ 226,160	37,773	263,933
2027	170,637	28,424	199,061
2028	182,613	22,290	204,903
2029	188,975	15,449	204,423
2030	123,243	9,476	132,718
2031 - 2035	446,000	36,645	482,645
2036 - 2040	429,000	23,430	452,430
2041 - 2045	291,000	9,135	300,135
Total	\$ 2,057,627	182,621	2,240,249

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3-D. Long-term liabilities (continued)

Long-term debt activity for the business-type activities was as follows:

	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
1997 SJWC District							
Matured FY25	\$ 846,504	0.00	\$ 30,004	-	30,004	-	-
2004 Culinary Meter Instalation							
Matures 12/1/2029	100,000	0.00	24,000	-	4,000	20,000	4,000
2006 Mtn. Collection System							
Matures 10/18/2046	949,670	4.25	715,355	-	19,774	695,581	20,775
2008 State Road Utilities Sewer							
Matures 3/1/2039	516,000	0.00	261,000	-	17,000	244,000	17,000
2008 State Road Utilities Water							
Matures 3/1/2039	484,000	0.00	244,000	-	16,000	228,000	16,000
2010 595 Water Project							
Matures 10/1/2041	166,000	0.00	88,000	-	6,000	82,000	6,000
2013 Secondary Water System							
Matures 8/1/2044	847,000	0.00	586,167	-	28,000	558,167	28,000
Total business-type activity long-term liabilities			\$ 1,948,526	-	120,778	1,827,748	91,775

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

	Principal	Interest	Total
2026	\$ 91,775	6,464	98,239
2027	92,525	6,239	98,764
2028	93,457	6,014	99,472
2029	93,431	5,789	99,220
2030	94,446	5,549	99,995
2031 - 2035	469,070	24,101	493,171
2036 - 2040	480,933	17,681	498,614
2041 - 2045	367,561	10,781	378,342
2046 - 2047	92,673	3,281	95,954
Total	\$ 1,827,748	85,900	1,961,770

The outstanding bonds are all secured with their respective revenues and/or property and equipment as collateral.

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3-D. Long-term liabilities (continued)

Other long-term liabilities:

	Beginning	Increase (Decrease)	Ending
Compensated absences:			
Governmental	\$ 68,462	17,355	85,817
Business-type	46,543	6,870	53,413
Total	\$ 115,005	24,225	139,230

	Beginning	Increase (Decrease)	Ending
Net pension liability:			
Governmental	\$ 43,929	21,989	65,918
Business-type	43,928	3,698	47,626
Total	\$ 87,857	25,687	113,544

3-E. Interfund receivables, payables, and transfers

Interfund receivables and payables:

	Due To	Due From
General Fund	\$ 141,320	-
MBA Fund	-	141,320
Total	\$ 141,320	141,320

At year end, requirements for restricted cash in the MBA Fund resulted in interfund payables due to the General Fund.

Interfund transfers:

	Transfers In	Transfers Out
General Fund	\$ -	40,000
Special Revenue Fund	40,000	-
Total	\$ 40,000	40,000

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) move unrestricted revenues collected in the general fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 4 - OTHER INFORMATION

4-A. Risk management

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

4-B. Rounding convention

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

4-C. Pension Plans

General Information about the Pension Plan

Plan description:

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

Defined Benefit Plans

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

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

4-C. Pension Plans (continued)

Benefits provided:

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

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percentage per year of service	Cola **
Noncontributory System	Highest 3 Years	30 years any age		
		25 years any age*	2.0% per	
		20 years age 60*	year all	Up to 4%
		10 years age 62*	years	
Tier 2 Public Public Employees System	Highest 5 Years	4 years age 65		
		35 years any age	1.50% per	
		20 years age 60*	year all	Up to 2.5%
		10 years age 62*	years	
		4 years age 65		

* with actuarial reductions

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

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

<u>Utah Retirement Systems</u>	<u>Employee Paid</u>	<u>Employer Contribution Rate</u>	<u>Employer rate for 401(k)</u>
Noncontributory Local Government System			
15 - Tier 1 DB System	-	16.97	-
111 - Tier 2 DB Hybrid System	0.70	15.19	-
211 - Tier 2 401(k) Option	-	5.19	10.00

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

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

4-C. Pension Plans (continued)

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

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 23,266	-
Tier 2 Public Employees System	58,710	2,734
Tier 2 DC Only System	3,987	-
Total Contributions	\$ 85,962	2,734

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.

At June 30, 2025, we reported a net pension asset of \$0 and a net pension liability of \$113,544.

	(Measurement Date): December 31, 2024		Proportionate		
	Net Pension	Net Pension	Proportionate	Share	Change
	Asset	Liability	Share	Dec. 31, 2023	(Decrease)
Noncontributory System	\$ -	\$ 78,239	0.0246725%	0.0281319%	(0.0034594%)
Tier 2 Public Employees System	-	35,304	0.0118375%	0.0116131%	0.0002244%
\$ -	\$ 113,544				

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.

For the year ended June 30, 2025, we recognize pension expense of \$110,501.

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

	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
Difference between expected and actual experience	\$ 61,882	\$ 243
Changes in assumptions	18,263	4
Net difference between projected and pension plan investments	25,823	-
Changes in proportion and difference and proportionate share of contributions	8,612	3,616
Contributions subsequent to the measurement date	42,578	-
Total	\$ 157,158	\$ 3,863

\$42,578 was 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.

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

4-C. Pension Plans (continued)

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:

<u>Year Ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources
2024	\$ 49,704
2025	49,694
2026	(6,934)
2027	1,457
2028	7,772
Thereafter	9,025

Actuarial assumptions:

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

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

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement 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.

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.

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

4-C. Pension Plans (continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Assets class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long Term expected portfolio real rate of return
Equity securities	35%	7.01%	2.45%
Debt securities	20%	2.54%	0.51%
Real assets	18%	5.45%	0.98%
Private equity	12%	10.05%	1.21%
Absolute return	15%	4.36%	0.65%
Cash and cash equivalents	0%	0.49%	0.00%
Totals	100.00%		5.80%
	Inflation		2.50%
	Expected arithmetic nominal return		8.30%

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

Discount rate:

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

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate:

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

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 330,889	78,239	(133,652)
Tier 2 Public Employees System	105,445	35,304	(19,258)
Total	\$ 436,334	113,544	(152,910)

Monticello City
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

4-C. Pension Plans (continued)

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 Plan:

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

- 401(k) Plan
- Roth IRA Plan

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

	2025	2024	2023
401(k) Plan			
Employer Contributions	\$ 11,018	\$ 9,322	\$ 7,827
Employee Contributions	1,265	400	675
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	5,850	50	1,350

4-D. Subsequent events

Subsequent events have been evaluated through the date of the audit report, the date the financial statements were available to be issued. There have been no subsequent events that provide additional evidence about conditions that existed at the balance sheet date.

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REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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Monticello City
Notes to Required Supplementary Information
June 30, 2025

Budgetary Comparison Schedules

The Budgetary Comparison Schedule presented in this section of the report is for the City's General Fund.

Budgeting and Budgetary Control

The budget for the General Fund is legally required and is prepared and adopted on the modified accrual basis of accounting.

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

Current Year Excess of Expenditures over Appropriations

For the year ended June 30, 2025, total expenditures, excluding transfers out, exceeded total budgeted expenditures by \$458,238. This is due to the recognition of capital assets acquired through leases.

Changes in Assumptions Related to Pensions

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

Monticello City
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2025

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 1,163,500	1,162,750	1,206,098	43,348
Licenses and permits	31,300	31,875	31,686	(189)
Intergovernmental revenues	146,000	207,147	235,958	28,811
Charges for services	496,485	617,057	625,947	8,890
Fines and forfeitures	250,000	240,000	269,643	29,643
Interest	65,000	115,000	163,573	48,573
Miscellaneous revenue	8,500	19,306	46,429	27,123
Total revenues	2,160,785	2,393,135	2,579,334	186,199
Expenditures				
General government	833,049	878,975	941,483	(62,508)
Public safety	309,000	312,760	299,224	13,536
Highways and public improvements	242,250	265,750	222,732	43,018
Parks and recreation	224,900	219,700	259,039	(39,339)
Golf course	484,035	500,750	898,316	(397,566)
Debt service:				
Principal	23,000	78,862	94,714	(15,852)
Interest	6,000	23,585	23,113	472
Total expenditures	2,122,234	2,280,382	2,738,620	(458,238)
Excess (deficiency) of revenues over (under) expenditures	38,551	112,753	(159,286)	(272,039)
Other financing sources and (uses)				
Lease proceeds	-	-	481,965	481,965
Transfers in (out)	(31,000)	(72,000)	(40,000)	32,000
Total other financing sources and (uses)	(31,000)	(72,000)	441,965	513,965
Net change in fund balances	7,551	40,753	282,679	241,926
Fund balances - beginning of year	1,340,235	1,340,235	1,340,235	-
Fund balances - end of year	\$ 1,347,786	1,380,988	1,622,915	241,926

Monticello City
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
As of June 30, 2025
Last 10 Fiscal Years

	As of measure- ment date of 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/(asset)
Noncontributory Retirement System	2015	0.0423826%	\$ 239,821	\$ 333,284	71.96%	87.80%
	2016	0.0440309%	282,732	347,387	81.39%	87.30%
	2017	0.0416397%	182,436	342,601	53.25%	91.90%
	2018	0.0359230%	264,527	329,628	80.25%	87.00%
	2019	0.0362270%	136,535	344,251	39.66%	93.70%
	2020	0.0372963%	19,131	326,391	5.86%	99.20%
	2021	0.0277817%	(159,109)	178,589	-89.09%	108.70%
	2022	0.0294899%	50,509	193,978	97.50%	92.30%
	2023	0.0281319%	65,254	201,988	32.31%	96.90%
	2024	0.0246725%	78,239	159,616	49.02%	96.02%
Public Safety System	2015	0.0349505%	\$ 62,605	\$ 97,607	64.10%	87.10%
	2016	0.0491193%	99,677	68,849	144.78%	86.50%
	2017	0.0639085%	100,251	68,951	145.40%	90.20%
	2018	0.0592034%	152,306	65,009	234.28%	84.70%
	2019	0.0609463%	97,856	68,255	143.37%	90.90%
	2020	0.0295181%	24,507	39,281	62.39%	95.50%
Tier 2 Public Employees System	2015	0.0187199%	\$ (41)	\$ 120,982	-0.03%	100.20%
	2016	0.0206940%	2,308	169,707	1.36%	95.10%
	2017	0.0183430%	1,617	179,837	0.90%	97.40%
	2018	0.0138239%	5,920	161,649	3.66%	90.80%
	2019	0.0112439%	2,529	156,291	1.62%	96.50%
	2020	0.0126745%	1,823	202,388	0.90%	98.30%
	2021	0.0157036%	(6,646)	291,767	-2.28%	103.80%
	2022	0.0139526%	15,193	303,945	5.00%	92.30%
	2023	0.0116131%	22,604	300,239	7.53%	89.58%
	2024	.0001183.75	35,304	350,435	10.07%	87.44%
Tier 2 Public Safety and Firefighter System	2015	0.0562645%	\$ (822)	\$ 33,474	-2.46%	110.70%
	2016	0.0724612%	(629)	59,870	-1.05%	103.60%
	2017	0.0846751%	(980)	89,407	-1.10%	103.00%
	2018	0.0603111%	1,511	80,781	1.87%	95.60%
	2019	0.0525076%	4,939	86,546	5.71%	89.60%
	2020	0.0124770%	1,119	27,856	4.02%	93.10%

Monticello City
SCHEDULE OF CONTRIBUTIONS
June 30, 2025
Last 10 Fiscal Years

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory Retirement System	2016	\$ 61,448	\$ 61,448	\$ -	\$ 333,947	18.40%
	2017	65,811	65,811	-	357,345	18.42%
	2018	53,212	53,212	-	331,236	16.06%
	2019	52,743	52,743	-	332,832	15.85%
	2020	56,798	56,798	-	354,148	16.04%
	2021	44,976	44,976	-	248,334	18.11%
	2022	34,897	34,897	-	188,940	18.47%
	2023	36,927	36,927	-	205,492	17.97%
	2024	34,364	34,364	-	191,230	17.97%
	2025	23,266	23,266	-	137,098	16.97%
Public Safety System	2016	\$ 13,876	\$ 13,876	\$ -	\$ 59,308	23.40%
	2017	23,390	23,390	-	68,714	34.04%
	2018	22,692	22,692	-	66,662	34.04%
	2019	22,127	22,127	-	65,004	34.04%
	2020	24,342	24,342	-	71,510	34.04%
	2021	1,200	1,200	-	3,526	34.04%
Tier 2 Public Employees System*	2016	\$ 22,975	\$ 22,975	\$ -	\$ 154,094	14.91%
	2017	27,557	27,557	-	184,825	14.91%
	2018	24,809	24,809	-	164,188	15.11%
	2019	24,814	24,814	-	159,680	15.54%
	2020	25,269	25,269	-	161,615	15.64%
	2021	41,214	41,214	-	267,596	15.40%
	2022	52,336	52,336	-	330,066	15.86%
	2023	53,225	53,225	-	332,446	16.01%
	2024	46,650	46,650	-	291,379	16.01%
	2025	58,710	58,710	-	387,178	15.16%
Tier 2 Public Safety and Firefighter System*	2016	\$ 7,991	\$ 7,991	\$ -	\$ 35,515	22.50%
	2017	19,647	19,647	-	87,318	22.50%
	2018	18,789	18,789	-	83,249	22.57%
	2019	18,921	18,921	-	81,945	23.09%
	2020	16,935	16,935	-	73,257	23.12%
Tier 2 Public Employees DC Only System*	2017	\$ 224	\$ 224	\$ -	\$ 3,350	6.69%
	2021	82	82	-	1,229	6.69%
	2022	857	857	-	12,805	6.69%
	2023	3,720	3,720	-	60,095	6.19%
	2024	3,630	3,630	-	58,648	6.19%
	2025	3,987	3,987	-	76,824	5.19%

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

Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative practices.

Monticello City
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

	VMTE Fund	Special Revenue Fund	MBA Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 7,363	23,604	-	30,968
Accounts receivable, net of allowances	-	-	24,773	24,773
Restricted cash and cash equivalents	-	-	185,905	185,905
TOTAL ASSETS	\$ 7,363	23,604	210,678	241,646
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities:				
Accounts payable	\$ -	2,108	1,419	3,527
Accrued liabilities	-	-	2,054	2,054
Due to other funds	-	-	141,320	141,320
Total liabilities	-	2,108	144,793	146,901
Deferred inflows of resources	-	-	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	-	2,108	144,793	146,901
FUND BALANCES:				
Restricted for:				
Debt service	-	-	185,905	185,905
Assigned for:				
Special revenue funds	7,363	21,496	-	28,860
Unassigned	-	-	(120,019)	(120,019)
TOTAL FUND BALANCES	7,363	21,496	65,886	94,745
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 7,363	23,604	210,678	241,646

Monticello City
**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**
For the Year Ended June 30, 2025

	VMTE Fund	Special Revenue Fund	MBA Fund	Total Governmental Funds
Revenues:				
Intergovernmental revenues	\$ -	-	39,874	39,874
Charges for services	-	1,277	83,000	84,277
Interest	353	-	10,481	10,834
Miscellaneous revenue	-	11,785	4,486	16,271
Total revenues	353	13,062	137,841	151,256
Expenditures:				
Current:				
Parks, recreation and public property	541	52,486	25,652	78,679
Debt service:				
Principal	-	-	40,000	40,000
Interest	-	-	11,175	11,175
Total expenditures	541	52,486	76,827	129,854
Excess (deficiency) of revenues over (under) expenditures	(188)	(39,424)	61,014	21,402
Other financing sources and (uses):				
Transfers in	-	40,000	-	40,000
Transfers (out)	-	-	-	-
Total other financing sources and (uses)	-	40,000	-	40,000
Net change in fund balances	(188)	576	61,014	61,402
Fund balances - beginning of year	7,551	20,920	4,872	33,344
Fund balance - end of year	\$ 7,363	21,496	65,886	94,745

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

Monticello 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, each major fund, and the aggregate remaining fund information of Monticello City as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Monticello City's basic financial statements and have issued our report thereon dated January 15, 2026.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Monticello City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Monticello City's internal control. Accordingly, we do not express an opinion on the effectiveness of Monticello 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 & Other Matters

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

Purpose of this Report

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

Aycock, Miles & Associates, CPAs

Roosevelt, Utah
January 15, 2026

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

Certified Public Accountants

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Independent Auditor's Report on Compliance and Report on Internal Control Over Compliance as Required by the State Compliance Audit Guide

Council Members
Monticello City, Utah

Report on Compliance

We have audited the Monticello City's compliance with the applicable state compliance requirements described in the State Compliance Audit Guide, issued by the Office of the Utah State Auditor, 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, Utah Retirement Systems, and Public Treasurer's Bond.

Opinion on Compliance

In our opinion, Monticello 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 School'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 School'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 School'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 School's compliance with the requirements of the government program as a whole.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School'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 School'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 School'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 two instances of noncompliance. Please see finding 2025-1 in the accompanying schedule. The City's responses to the noncompliance finding identified in our audit is described in the accompanying schedule of findings. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report On Internal Control over Compliance

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

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

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

Purpose of this Report

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

Aycock, Miles & Associates, CPAs

Roosevelt, Utah
January 15, 2026

Findings & Management Responses

- 2025-1 *State of Utah Compliance Finding*—Three departments in the general fund exceeded their annual budget.
- Criteria*—Utah Code 110-5-115 requires government entities to operate within legally adopted budgets.
- Effect*—The funds' 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.
- Management Response*—For the general fund, the City Council did not budget a sufficient balance for capital outlay related to lease purchases. The City will be mindful that capital outlay related to leases and debt purchases need to be recorded as capital outlay. The City will periodically compare the annual budget to the City's current and projected financial activity.