



February 18, 2026

**City Council Meeting
Information Packet**

Agenda Item # 1

Public Comment

Agenda Item # 2

Summary Action Items

a. Approval of Minutes from the
February 4, 2026 City Council
Regular Meeting

b. Approval of the Bills

MINUTES OF THE BUSINESS MEETING OF THE GRANTSVILLE CITY COUNCIL, HELD ON FEBRUARY 4TH, 2026 AT THE GRANTSVILLE CITY HALL, LOCATED AT 429 EAST MAIN STREET, GRANTSVILLE, UTAH AND ELECTRONICALLY VIA ZOOM. THE MEETING BEGAN AT 7:00 P.M.

Mayor and Council Members Present:

Mayor Hammond
Rhett Butler
Derek Dalton

Brittany Skinner
Jake Thomas
Jeff Williams

Council Members Excused: none.

Appointed Officers and Employees Present:

Michael Resare, City Manager
Alicia Fairbourne, City Recorder
Tysen Barker, City Attorney

Fire Chief Jason Remick
Christy Montierth, Public Works Director
Bill Cobabe, Comm. Development Director

Citizens and Guests Present or on Zoom: Brian White, Les Peterson, Todd Rasband, Troy Darger, Win Rasband, Paul Christiansen, Kathleen VonHatten, Lori Clayborne, Arnie Hunt, Kevin Monds, Krysta MacFarlane, Alex Buxton, Darci Stephens, Alex Honnold, Cameron Moulton, Craig Durfee, Gary Merrill, Jamie Olson, Amanda Smith, and others who may not have signed in or used their full name via Zoom.

Mayor Hammond called the meeting to order at 7:00 p.m. and asked Les Peterson to lead the Pledge of Allegiance.

AGENDA:

1. Public Comment

Mayor Hammond opened the floor for public comment at 7:01 p.m. There were none. The floor was closed.

2. Summary Action Items:

a. Approval of Minutes from the January 22, 2026 City Council Regular Meeting and January 26, 2026 Special Meeting

Motion: Councilmember Butler moved to approve the January 22, 2026 City Council Regular Meeting Minutes as presented.

Second: Councilmember Skinner seconded the motion.

Vote: The vote was as follows: Councilmember Butler, “Aye”; Councilmember Dalton, “Aye”; Councilmember Skinner, “Aye”; Councilmember Thomas “Aye”; Councilmember Williams, “Aye”. There were none opposed. The motion carried.

Motion: Councilmember Dalton moved to approve the January 26, 2026 Special Meeting Minutes as presented.

Second: Councilmember Williams made the second.

Vote: The vote was as follows: Councilmember Butler, “Abstain”; Councilmember Dalton, “Aye”; Councilmember Skinner, “Aye”; Councilmember Thomas “Aye”; Councilmember Williams, “Aye”. There were none opposed. The motion carried.

b. Approval of Bills

Motion: Councilmember Butler moved to approve the invoices.

Second: Councilmember Thomas seconded the motion.

Vote: The vote was as follows: Councilmember Butler, “Aye”; Councilmember Dalton, “Aye”; Councilmember Skinner, “Aye”; Councilmember Thomas “Aye”; Councilmember Williams, “Aye”. There were none opposed. The motion carried.

3. Consideration of approving Resolution 2026-02 authorizing the issuance and sale of not more than \$50,000,000 aggregate principal amount of sewer revenue bonds, series 2026 and related matters

Finance Director Aspen Clegg and Alex Buxton (Zions Public Finance) explained that adoption of the parameters resolution would allow the City to begin the bonding process and move forward with obtaining financing necessary for construction of the wastewater treatment plant. Mr. Buxton clarified that approval of the resolution did not obligate the City to issue bonds but established parameters to allow staff to proceed. He reviewed the proposed maximum parameters of \$50 million in principal, a term of up to 34 years, and a maximum interest rate of 6 percent. He stated that the 6 percent figure was a conservative ceiling and that current market estimates projected rates closer to 4 percent for the privately placed portion of the bonds.

Mr. Buxton further reported that the City had already secured at least \$16 million through the Utah Water Quality Board at a subsidized 0.75 percent interest rate for 30 years. He stated that staff had requested additional subsidized funding from the State and were awaiting a response, noting that funds were limited but that approximately \$3.5 million in additional funding might be available. He explained that the final bond issuance would likely consist of two separate bonds, one through the Water Quality Board and a second through a competitive private placement process in which financial institutions would submit bids and the City would accept the lowest responsible interest rate.

Mayor Hammond asked about the anticipated timeline for hearing back from the State regarding additional funding. Mr. Buxton responded that staff expected to follow up after the State representative returned from being out of office and anticipated more information within the next few weeks.

Councilmember Butler asked for clarification regarding the total estimated cost shown in the bond exhibit and whether it reflected both the subsidized and market-rate portions at the maximum 6

percent parameter. Mr. Buxton confirmed that the estimate included the \$16 million at 0.75 percent and the remaining amount calculated at the conservative 6 percent ceiling, reiterating that the City anticipated securing a lower effective interest rate. Councilmember Butler also inquired about timing in relation to construction bids. Ms. Clegg stated that construction bids for the wastewater treatment plant were currently out and scheduled to close on March 11, and that the April 1 public hearing date provided flexibility to align the bond amount with actual contractor bid amounts rather than solely engineer estimates.

No further questions were raised.

Motion: Councilmember Butler moved to approve Resolution 2026-02 authorizing the issuance and sale of not more than \$50,000,000 aggregate principal amount of sewer revenue bonds, series 2026 and related matters.

Second: Councilmember Skinner seconded the motion.

Vote: The vote was as follows: Councilmember Butler, “Aye”; Councilmember Dalton, “Aye”; Councilmember Skinner, “Aye”; Councilmember Thomas “Aye”; Councilmember Williams, “Aye”. There were none opposed. The motion carried.

4. Consideration of approving Resolution 2026-05 appointing Gary Merrill as a Regular Planning Commission Member

Mayor Hammond introduced Resolution 2026-05 appointing Gary Merrill as a Regular Planning Commission member. She noted that Mr. Merrill was unable to attend in person but had joined the meeting electronically.

Mayor Hammond asked if the Council had any questions or concerns, referencing that members had the opportunity to become acquainted with Mr. Merrill during prior discussions. Councilmember Butler stated he had no concerns and expressed appreciation for Mr. Merrill’s willingness to serve in an unpaid volunteer capacity on the Planning Commission.

Mayor Hammond thanked Mr. Merrill for accepting the appointment. No additional questions or concerns were raised.

Motion: Councilmember Dalton moved to approve Resolution 2026-05 appointing Gary Merrill as a Regular Planning Commission Member.

Second: Councilmember Williams seconded the motion.

Vote: The vote was as follows: Councilmember Butler, “Aye”; Councilmember Dalton, “Aye”; Councilmember Skinner, “Aye”; Councilmember Thomas “Aye”; Councilmember Williams, “Aye”. There were none opposed. The motion carried.

5. Consideration of approving Resolution 2026-10 appointing Cameron Moulton as a Regular Planning Commission Member

Mayor Hammond introduced Resolution 2026-10 appointing Cameron Moulton as a Regular

Planning Commission member and invited Mr. Moulton to come forward. She noted that the Council had previously met with him during interviews.

Mayor Hammond asked if there were any questions for Mr. Moulton. Councilmember Williams expressed appreciation for his willingness to serve and stated it was good to meet him during the prior interview process. Councilmember Dalton commented that, following recent interviews and attendance at the Planning Commission meeting the previous evening, he believed the Planning Commission was in a strong position and expressed gratitude for those willing to serve. Councilmember Thomas stated that the Planning Commission was a vital part of City operations and thanked Mr. Moulton for his willingness to serve.

No concerns were raised.

Motion: Councilmember Thomas moved to approve Resolution 2026-10 appointing Cameron Moulton as a Regular Planning Commission Member

Second: Councilmember Butler seconded the motion.

Vote: The vote was as follows: Councilmember Butler, “Aye”; Councilmember Dalton, “Aye”; Councilmember Skinner, “Aye”; Councilmember Thomas “Aye”; Councilmember Williams, “Aye”. There were none opposed. The motion carried.

6. Discussion and consideration of Ordinance 2026-06 approving a General Plan amendment to change the land use designation for the Apple Street Townhomes Subdivision (parcels 01-066-0-0006, 23-001-0-00A, 01-112-0-0012, and 01-112-0-0011) from Single-Family Density to Mixed-Use Density, located at approximately Cherry Blossom Lane and Apple Street

City Planner Bill Cobabe presented Ordinance 2026-06 regarding a proposed General Plan amendment for the Apple Street Townhomes Subdivision. He explained that the request was to amend the Future Land Use Map designation from Single-Family Density to Mixed-Use Density for the identified parcels located near Cherry Blossom Lane and Apple Street.

Mr. Cobabe provided an overview of the purpose and function of the General Plan, explaining that it reflected the will of the community and served as a long-term, aspirational guide for land use decisions. He stated that amendments to the General Plan should only occur under limited circumstances, including correction of an error, significant change in community values, or a property-specific request that remained consistent with the broader goals of the plan. He explained that the current request fell into the third category, where a property owner sought a limited amendment to better align anticipated development with the General Plan’s objectives. He further explained that the Future Land Use Map amendment was being considered prior to a related zone change request in order to maintain consistency between the General Plan and zoning regulations.

Councilmember Skinner asked what the landowner’s intentions were for the property. Mr. Cobabe stated that while staff could not require detailed development plans at the General Plan amendment stage, the City had been informed that the applicant was considering multi-family residential units on the interior portion of the property and commercial uses along Main Street. He emphasized that any future development would be limited to what was permitted under City code, and the Council

should evaluate the amendment based on allowable uses rather than specific conceptual plans.

Councilmember Thomas asked about the existing structures on the property and whether they would be removed. Mr. Cobabe stated that the applicant had indicated an intent to remove the existing garage structures and rehabilitate the clubhouse building for future use, though final development plans remained subject to zoning allowances.

Councilmember Dalton questioned whether it would be more appropriate to designate the property differently on the Future Land Use Map rather than Mixed-Use Density. Councilmember Butler clarified that the Future Land Use Map did not include an RM-15 designation and that Mixed-Use Density was the appropriate category to support both commercial uses along Main Street and higher-density residential uses on the remainder of the property. Mr. Cobabe confirmed that the requested Mixed-Use designation was consistent with adjacent properties further east along Main Street.

Mayor Hammond asked about the historical zoning of the property and why it remained partially zoned A-10 despite prior development activity. Mr. Cobabe stated that he did not have full historical context but suggested the prior approval may have involved a planned unit development or agreement that had since lapsed. Councilmember Butler noted that processes may have differed when the project was originally approved. Mr. Cobabe stated that moving forward under current procedures would ensure compliance with present City code requirements.

Councilmember Butler commented that the property had remained unfinished for many years and described it as an eyesore and an attractive nuisance. Mr. Cobabe stated that the proposed process would allow the City to address the property under current standards and potentially improve the site.

Mayor Hammond asked if there were any additional concerns regarding the property. No additional concerns were raised.

Motion: Councilmember Butler moved to approve Ordinance 2026-06 approving a General Plan amendment to change the land use designation for the Apple Street Townhomes Subdivision (parcels 01-066-0-0006, 23-001-0-00A, 01-112-0-0012, and 01-112-0-0011) from Single-Family Density to Mixed-Use Density, located at approximately Cherry Blossom Lane and Apple Street.

Second: Councilmember Skinner seconded the motion.

Vote: The vote was as follows: Councilmember Butler, “Aye”; Councilmember Dalton, “Aye”; Councilmember Skinner, “Aye”; Councilmember Thomas “Aye”; Councilmember Williams, “Aye”. There were none opposed. The motion carried.

7. Discussion and consideration of Ordinance 2026-05 approving a rezone from the A-10 and R-1-12 to the RM-15 (Multiple Residential District) for the Apple Street Townes Subdivision (parcels 01-066-0-0006, 23-001-0-00A, 01-112-0-0012, and 01-112-0-0011), located at approximately Cherry Blossom Lane and Apple Street, excluding 0.95 acres for commercial use

City Planner Bill Cobabe presented Ordinance 2026-05 regarding a proposed rezone of the Apple Street Townhomes Subdivision parcels from A-10 and R-1-12 to RM-15 (Multiple Residential District). He stated that the prior discussion regarding the General Plan amendment was applicable to the rezone request and reiterated that the Council must assume that any uses permitted under the proposed zoning could be developed on the property. He advised that the key considerations were whether this was the right place and the right time for the proposed zone change.

Councilmember Butler asked whether a representative of the applicant was present. Mr. Cobabe stated that no representative was in attendance but that staff had met extensively with the property owners and developers and could respond to questions, or the item could be tabled if the Council preferred.

Councilmember Butler raised concerns regarding the approximately 0.95 acres intended for commercial use along Main Street and questioned which parcel that applied to. Discussion followed regarding the configuration of the parcels and existing zoning map, which currently split the northern parcel between commercial zoning along Main Street and A-10 zoning to the south. Mr. Cobabe explained that the existing A-10 zoning functioned as a placeholder and did not meet standard A-10 requirements.

Councilmember Butler expressed concern about ensuring clarity and specificity in the zoning action, including whether a lot line adjustment or legal description should be required to clearly delineate commercial versus residential portions. He questioned whether RM-15 zoning would allow for commercial uses and whether the request aligned with the applicant's stated intentions. Mr. Cobabe confirmed that RM-15 allowed higher density residential but did not inherently provide for commercial uses.

Councilmember Dalton stated concern that, as written, the 0.95-acre commercial component could potentially be placed elsewhere on the parcels without a defined legal description. Councilmember Butler suggested that greater specificity or clarification from the applicant was necessary to avoid future confusion and ensure the zoning was completed correctly.

Discussion followed regarding whether changes to the request would require additional review by the Planning Commission or a new public hearing. Mr. Cobabe indicated that procedural considerations would need to be evaluated if the request were modified.

Motion: Councilmember Dalton moved to table the discussion of Ordinance 2026-05 approving a rezone from the A-10 and R-1-12 to the RM-15 (Multiple Residential District) for the Apple Street Townes Subdivision (parcels 01-066-0-0006, 23-001-0-00A, 01-112-0-0012, and 01-112-0-0011), located at approximately Cherry Blossom Lane and Apple Street, excluding 0.95 acres for commercial use.

Second: Councilmember Thomas seconded the motion.

Vote: The vote was as follows: Councilmember Butler, "Aye"; Councilmember Dalton, "Aye"; Councilmember Skinner, "Aye"; Councilmember Thomas "Aye"; Councilmember Williams, "Aye". There were none opposed. The motion carried.

8. Discussion and consideration of Ordinance 2026-11 amending the Utah Inland Port Authority Project Area within Grantsville City

City Planner Bill Cobabe presented the proposed resolution recommending that the Utah Inland Port Authority amend its project area to include approximately 154 acres located west of the Motor Sports Park and south of the Romney Group property. He explained that inclusion in the Inland Port project area would allow the property owners to seek infrastructure funding through the Inland Port Authority to support future development. He stated that the request was related to upcoming agenda items involving a future land use map amendment and zone change for the same property.

Stephanie Pack, representing the Utah Inland Port Authority, addressed the Council and explained that the amendment process required a resolution from the local legislative body. She stated that if approved, the amendment could be presented to the Inland Port board as early as March 16. She described the tax increment financing structure, explaining that the existing tax base would remain with the taxing entities, while future incremental property tax revenue would be split 75 percent to the project area and 25 percent to the taxing entities for up to 25 years. She stated that 5 percent of the 75 percent portion was retained by the Inland Port Authority for administrative purposes, with the remainder reinvested locally for infrastructure. She further explained that the City could choose when to trigger tax increment collection and could do so parcel by parcel.

Councilmember Butler asked for clarification regarding the impact on property and sales tax revenues, particularly in relation to potential commercial uses. Ms. Pack explained that sales tax revenue could be addressed through a memorandum of understanding and passed through to the City if desired, while property tax increment would be used to fund infrastructure. She emphasized that no tax increment would be collected until parcels were formally triggered by the Council.

Mayor Hammond asked how infrastructure costs would be coordinated when adjacent properties within the Inland Port area were also developing. Ms. Pack explained that mechanisms such as public infrastructure districts or pioneering agreements could be used to coordinate and finance shared infrastructure, and that bonds could potentially be paid off early if revenues exceeded projections.

Councilmember Dalton expressed concern regarding the impact on the school district and long-term property tax revenue, noting that residential development could increase demand on schools while delaying full property tax distribution. Ms. Pack stated that interlocal agreements could be structured to address specific needs, including allocating portions of increment to support schools if necessary.

Councilmember Williams asked about oversight and quality control of infrastructure improvements. Ms. Pack explained that infrastructure could be constructed either by developers and reimbursed, or through a public infrastructure district subject to procurement requirements and public oversight. She stated that infrastructure would ultimately be dedicated to and maintained by the City.

Councilmember Butler asked how common mixed-use developments were within Inland Port project areas. Ms. Pack responded that mixed-use areas existed, particularly in rural communities, though residential components were less common due to lower property tax generation compared to industrial or commercial uses.

Motion: Councilmember Butler moved to approve Ordinance 2026-11 amending the Utah Inland Port Authority Project Area within Grantsville City.

Second: Councilmember Skinner seconded the motion.

Vote: The vote was as follows: Councilmember Butler, “Aye”; Councilmember Dalton, “Nay”; Councilmember Skinner, “Aye”; Councilmember Thomas “Aye”; Councilmember Williams, “Nay”. The motion carried 3-2.

9. Discussion and consideration of Ordinance 2026-10 approving a General Plan amendment to change the land use designation from Rural Residential 2 to Mixed-Use Density for certain properties known as The Crossing at Willow Creek Subdivision (parcels 01-131-0-0002, 01130-0-0009, 01-130-0-0008, 01-130-0-0016, and 01-130-0-0014), approximately 154 acres

City Planner Bill Cobabe presented Ordinance 2026-10 regarding a proposed General Plan amendment for properties known as The Crossing at Willow Creek Subdivision. He explained that the request was to amend the Future Land Use Map designation from Rural Residential 2 to Mixed-Use Density for approximately 154 acres. He stated that the same considerations discussed with prior General Plan amendments applied, specifically whether this was the right time and the right place to make the change.

Mr. Cobabe noted that while conceptual site layouts and potential uses had been shared, the Council should not become overly focused on specific building placements or configurations, as those details would be addressed later through a master development agreement and subsequent approvals. He stated that the Planning Commission had reviewed the request and recommended approval.

Councilmember Williams asked for clarification regarding the current General Plan designation and how it applied to the area. Councilmember Butler confirmed that Rural Residential 2 allowed one dwelling unit per five to ten acres. Discussion followed regarding the Desert Peak Planning Area and the surrounding context, including the Romney Group industrial property and the Motor Sports Park. Mr. Cobabe explained that the General Plan was aspirational and not legally binding, and that zoning did not always have to precisely match the Future Land Use Map, though alignment was generally advisable.

Councilmember Butler observed that other surrounding properties, including portions of the Romney Group area, did not currently align cleanly with the Future Land Use Map designations. City staff noted that the City had applied for a grant to update the General Plan to better reflect existing and anticipated development patterns.

Councilmember Williams asked whether staff believed the amendment was appropriate. Mr. Cobabe and City Manager Michael Resare both stated they believed the amendment represented a more compatible and higher use of the property given the surrounding industrial and recreational development. Mr. Cobabe stated that five- or ten-acre rural residential lots would not be the highest and best use of the land given its location and surrounding context.

Mayor Hammond asked if there were additional questions or if the Council wished to hear from

the developers. Discussion continued among Councilmembers regarding compatibility of uses in the area.

Motion: Councilmember Thomas moved to approve Ordinance 2026-10 approving a General Plan amendment to change the land use designation from Rural Residential 2 to Mixed-Use Density for certain properties known as The Crossing at Willow Creek Subdivision (parcels 01-131-0-0002, 01-130-0-0009, 01-130-0-0008, 01-130-0-0016, and 01-130-0-0014), approximately 154 acres.

Second: Councilmember Skinner seconded the motion.

Vote: The vote was as follows: Councilmember Butler, “Aye”; Councilmember Dalton, “Aye”; Councilmember Skinner, “Aye”; Councilmember Thomas “Aye”; Councilmember Williams, “Aye”. There were none opposed. The motion carried.

10. Discussion and consideration of Ordinance 2026-09 approving a rezone of parcels 01-131-0-0002, 01-130-0-0009, 01-130-0-0008, 01-130-0-0016, and 01-130-0-0014 from A-10 (Agricultural) to the Mixed-Use District (M-U) for the Crossing at Willow Creek Subdivision, resulting in approximately 102.4 acres being zoned M-U

City Planner Bill Cobabe presented Ordinance 2026-09 regarding a proposed rezone of parcels within The Crossing at Willow Creek Subdivision from A-10 (Agricultural) to Mixed-Use (MU), resulting in approximately 102.4 acres being zoned MU. He stated that the prior discussion regarding the General Plan amendment applied and noted that the Planning Commission had recommended approval. He further explained that the applicant had not yet finalized legal descriptions for precise zoning boundaries and suggested that approval could be conditioned upon submission of accurate legal descriptions prior to recording.

Representatives of the development team addressed the Council and stated that the conceptual layout remained preliminary and subject to refinement, including truck access, building configuration, and use placement. They explained that they were working to secure investors and potential tenants and that time was a factor in moving the project forward. They acknowledged that additional details would be addressed through a master development agreement and potential overlay district.

Councilmember Dalton asked about the proportion of commercial uses within the Mixed-Use area and referenced code requirements regarding commercial frontage and land area. The developer stated they would work with staff to ensure compliance. Council members discussed whether an overlay district would provide additional certainty regarding land use expectations and whether zoning changes should be tied to development agreements to avoid unintended outcomes. Mr. Cobabe cautioned that development agreements must clearly specify required uses to be enforceable.

Councilmember Butler expressed concern about ensuring proportionality and long-term expectations if ownership changed in the future. Staff noted that the proposed zoning would establish baseline districts, with further regulation occurring through the master development agreement.

Discussion followed regarding whether the Mixed-Use district allowed apartments. Mr. Cobabe reviewed the code and stated that the Mixed-Use district permitted single-family and townhome residential developments but did not explicitly reference apartments.

Motion: Councilmember Butler moved to approve Ordinance 2026-09 approving a rezone of parcels 01-131-0-0002, 01-130-0-0009, 01-130-0-0008, 01-130-0-0016, and 01-130-0-0014 from A-10 (Agricultural) to the Mixed-Use District (M-U) for the Crossing at Willow Creek Subdivision, resulting in approximately 102.4 acres being zoned M-U, and also tied to the motion, approve Ordinance 2026-08, approving a rezone of parcels 01-130-0-0008, 01-130-0-0016, and 01-130-0-0014 from A-10 (Agricultural) to the General Manufacturing (MG) district, resulting in approximately 51.6 acres being zoned as MG, noting that these have multiple zoning districts.

Second: Councilmember Skinner seconded the motion.

Discussion on the motion: Councilmember Dalton expressed concern about approving approximately 51.6 acres as General Manufacturing (MG) without a clearly defined understanding of where those acres would be located within the parcels. He stated he was uncomfortable “lumping” the acreage into MG without specific boundaries identified and noted concern that, if ownership changed in the future, the zoning could allow manufacturing uses in locations not originally contemplated by the Council.

Councilmember Butler responded that, in his understanding, the 51.6 acres referenced in the motion were tied to specific portions of the parcels identified and that the MG designation would apply only to those portions. Councilmember Dalton clarified that parcels 01-131-0-0002 and 01-130-0-0009 were not included in the MG portion and would remain entirely Mixed-Use, while the remaining parcels would contain split designations between MU and MG.

Councilmember Butler confirmed that parcels “two and nine” were designated entirely Mixed-Use and that the remaining parcels included in the motion would contain split designations between MU and MG. Councilmember Dalton reviewed the parcel numbers referenced in the motion and agreed without objection.

Vote: The vote was as follows: Councilmember Butler, “Aye”; Councilmember Dalton, “Aye”; Councilmember Skinner, “Aye”; Councilmember Thomas “Aye”; Councilmember Williams, “Aye”. There were none opposed. The motion carried.

11. Discussion and consideration of Ordinance 2026-08 approving a rezone of parcels 01-130-0-0008, 01-130-0-0016, and 01-130-0-0014 from A-10 (Agricultural) to the General Manufacturing (MG) district, resulting in approximately 51.6 acres being zoned as MG

Note: Ordinance 2026-08 was approved as part of the combined motion made and voted upon under Agenda Item 10.

12. Discussion and consideration of Ordinance 2026-07 amending Chapter 8 of the Grantsville City Code to add micro entrepreneurship as a conditional use

Mr. Cobabe explained that the proposed ordinance would create a new land use category that fell between a home occupation and a traditional retail establishment. He stated that home occupations were intended to operate without noticeable impact on a neighborhood, while a traditional retail use involved regular customer traffic and visible commercial activity. He explained that the micro-entrepreneurship use would allow limited on-site sales associated with goods produced on the property, with conditions intended to balance neighborhood compatibility and small business opportunity. He noted that staff and the Planning Commission had worked with the applicants to craft standards that would accommodate the proposed use while protecting surrounding residential properties. He stated that the Planning Commission had recommended approval.

Councilmember Dalton explained that the proposal originated from prior Planning Commission discussions when it was determined that the applicants' activities did not meet the requirements of a home occupation due to visible structures and on-site sales. She stated that the Commission had encouraged staff and the applicants to explore an alternative approach, which resulted in the proposed ordinance. She asked for clarification regarding the requirement that activities be conducted primarily indoors, noting that much of the applicants' display and sales activity occurred outdoors.

Mr. Cobabe responded that production of goods would occur indoors and that on-site sales would be incidental to that production. He acknowledged that enforcement would largely be complaint-driven, similar to other zoning enforcement, and stated that compliance would be addressed if issues arose.

Councilmember Skinner expressed concern regarding enforceability and the number of conditions outlined in the ordinance. Councilmember Butler noted that the use would require conditional use approval by the Planning Commission, and any applicant would need to meet the ordinance standards. Mr. Cobabe added that the conditional use process placed the burden on the applicant to demonstrate compliance and that approval would be tied to the adopted standards.

Councilmember Butler raised concern that the frontage requirement appeared tailored to the current applicants' property and questioned whether it might limit similar uses on other qualifying lots. Mr. Cobabe explained that staff had included frontage requirements to limit the use to properties with adequate access and parking and stated that the ordinance could be amended in the future if experience showed adjustments were needed.

Councilmember Thomas asked whether similar provisions existed in other communities. Mr. Cobabe stated that, to his knowledge, this was a unique approach and described it as an opportunity for the City to support small business innovation while maintaining neighborhood standards.

Councilmember Williams expressed support for the ordinance and appreciation for staff's efforts to work with residents. The Council then proceeded toward a motion on the item.

Motion: Councilmember Williams moved to approve Ordinance 2026-07 amending Chapter 8 of the Grantsville City Code to add micro entrepreneurship as a conditional use.

Second: Councilmember Thomas seconded the motion.

Vote: The vote was as follows: Councilmember Butler, “Aye”; Councilmember Dalton, “Aye”; Councilmember Skinner, “Nay”; Councilmember Thomas “Aye”; Councilmember Williams, “Aye”. The motion carried 4-1.

13. Adjourn

Prior to the meeting adjournment, Mayor Hammond stated that Council reports would not be given that evening due to adjustments in Council assignments. She then asked about availability for a groundbreaking ceremony for Scenic Slopes Park, noting that the project was ready to begin.

After brief discussion regarding schedules, the Council agreed to hold the groundbreaking on Monday at 4:00 p.m. Mayor Hammond confirmed the date and time and stated that proper notice would be posted.

There being no further business, Mayor Hammond asked for a motion to adjourn.

Motion: Councilmember Thomas moved to adjourn.

Second: Councilmember Skinner seconded the motion.

Vote: The vote was as follows: Councilmember Butler, “Aye”; Councilmember Dalton, “Aye”; Councilmember Skinner, “Aye”; Councilmember Thomas “Aye”; Councilmember Williams, “Aye”. There were none opposed. The motion carried.

The meeting adjourned at 9:40 p.m.

Agenda Item # 3

Presentation from the Tooele Technical College introducing the 2026 Student of the Year and providing an institutional update

Agenda Item # 4

Presentation of the FY2025 Audit

**GRANTSVILLE CITY CORPORATION
GRANTSVILLE, UTAH
BASIC FINANCIAL STATEMENTS**

For The Year Ended June 30, 2025

Together with Independent Auditor's Report



**GRANTSVILLE CITY CORPORATION
TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor’s Report	1
Management’s Discussion and Analysis	4
Basic Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Balance Sheet – Governmental Funds	13
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.....	17
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Redevelopment Agency Special Revenue Fund.....	18
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Municipal Building Authority Special Revenue Fund.....	19
Statement of Net Position – Proprietary Funds	20
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	21
Statements of Cash Flows – Proprietary Funds	22
Notes to Basic Financial Statements	23
Required Supplementary Information:	
Schedule of Proportionate Share of the Net Pension Liability	47
Schedule of Contributions.....	48
Notes to the Required Supplementary Information	50
Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects Fund.....	51
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	52
Independent Auditor’s on Compliance and Report on Internal Control over Compliance as Required by the <i>State Compliance Audit Guide</i>	54



GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

RANDEL A HEATON, CPA
LYNN A. GILBERT, CPA
JAMES A. GILBERT, CPA
BEN H PROBST, CPA
RONALD J. STEWART, CPA

SIDNEY S. GILBERT, CPA
JAMES E. STEWART, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
Grantsville City, Utah

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Grantsville City, as of June 30, 2025 and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds, 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 Grantsville 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.

Change in Accounting Principle

As discussed in note 17 to the financial statements, in fiscal year 2025 the City adopted new accounting guidance, GASB 101, *Compensated Absences*. Our opinions were not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information, and Utah Retirement systems tables, on pages as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grantsville City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025, 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 City's internal control over financial reporting and compliance.

Gilbert & Stewart

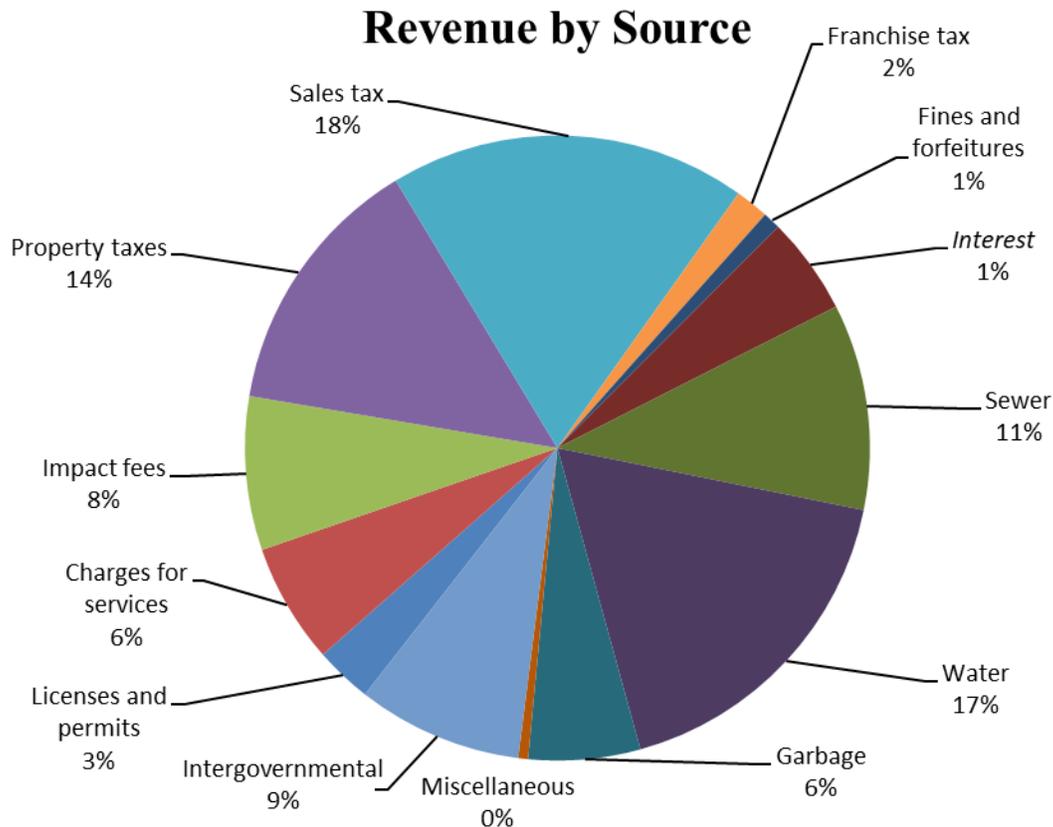
GILBERT & STEWART, CPA, PC
Provo, Utah
December 30, 2025

**GRANTSVILLE CITY CORPORATION
MANAGEMENT’S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2025**

As management of Grantsville City Corporation, we offer readers of the Grantsville City financial statements this narrative overview and analysis of the financial activities of Grantsville City for the fiscal year ended June 30, 2024.

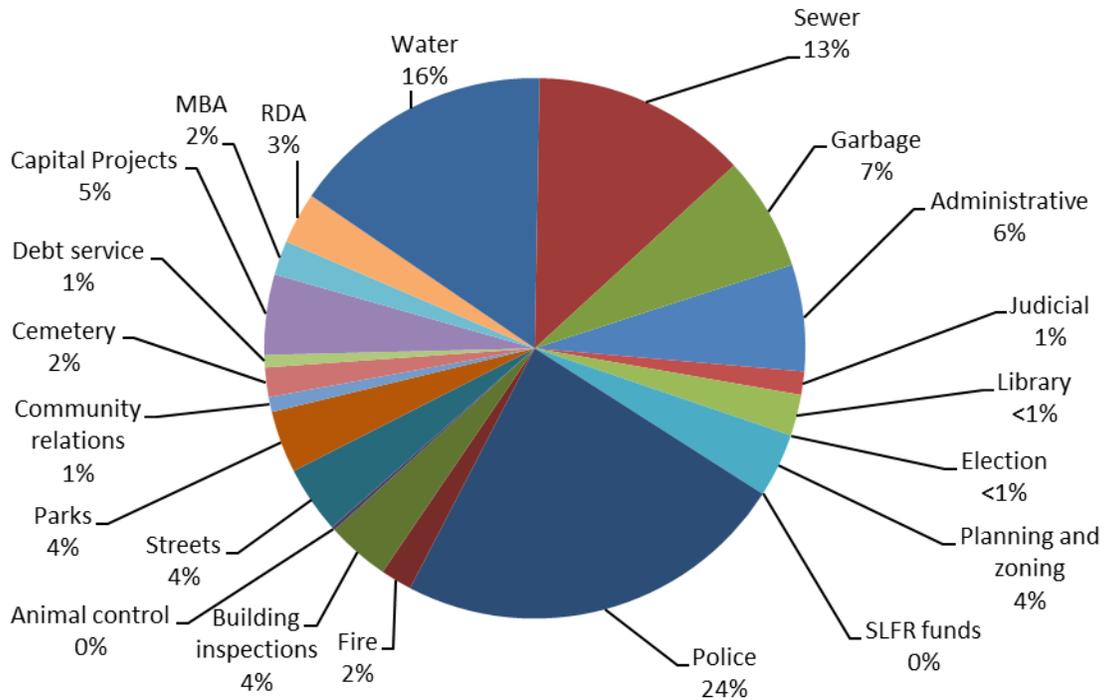
Financial Highlights

- Total net position increased by \$16,631,909.
- Total general fund revenues, including taxes, exceeded total general fund expenditures by \$2,016,523, before proceeds from leases.
- Total net position in the business-type activities increased by \$13,243,660, which was reduced by \$45,900 representing the restatement of beginning net position as a result of implementing GASB Statement No. 101 *Compensated Absences*. See Note 15 for additional information.
- Total revenues of both governmental and business-type activities were \$36,019,419.
- Actual revenues recognized in the general fund were \$770,834 more than budgeted while actual expenditures were \$2,356,253 less than budgeted.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$3,241,437.
- The Water, Sewer, and Garbage enterprise funds reported increases in net position of \$10,787,976, \$2,386,675, and \$69,009 respectively. Fun net position increases were likewise reduced due to implementing GASB Statement No. 101 *Compensated absences* for the Water, Sewer, and Garbage by \$22,200, \$21,400, and \$2,300, respectively.



**GRANTSVILLE CITY CORPORATION
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2025**

Expenses/Expenditures by Department



Overview of the financial Statements

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Grantsville City’s finances, in a manner similar to private-sector business. The statements consist of the Statement of Net Position and the Statement of Activities.

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

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

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

The government-wide financial statements are found immediately following this discussion and analysis.

GRANTSVILLE CITY CORPORATION
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended 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. Grantsville City, like any other state and local government, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of Grantsville City can be divided into two categories: governmental funds and proprietary funds.

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

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

Grantsville City maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, Redevelopment Agency Fund, and Municipal Building Authority, which are considered to be major funds.

Grantsville City adopts an annual appropriated budget for all its fund types. A budgetary comparison statement has been provided for the general, capital projects, redevelopment agency, and municipal building authority funds to demonstrate compliance with this budget.

Proprietary funds. Grantsville City maintains only one type of proprietary fund – enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Grantsville City uses enterprise funds to account for its Water Utility, Sewer Utility, and Garbage Utility Funds. Each of the City’s proprietary funds are considered to be major funds.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of Grantsville City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$134,628,192 at the close of the most recent fiscal year.

By far the largest portion of Grantsville City’s net position (79.6%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Grantsville City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Grantsville City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GRANTSVILLE CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2025

Grantsville City's Net Position

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 22,060,799	\$ 16,339,817	\$ 16,653,697	\$ 13,645,563	\$ 38,714,496	\$ 29,985,380
Capital assets	39,208,515	36,873,571	91,233,106	78,001,329	130,441,621	114,874,900
Total assets	<u>61,269,314</u>	<u>53,213,388</u>	<u>107,886,803</u>	<u>91,646,892</u>	<u>169,156,117</u>	<u>144,860,280</u>
Deferred outflows of resources	1,041,297	1,030,229	320,820	304,015	1,362,117	1,334,244
Total assets and deferred outflows of resources	<u>62,310,611</u>	<u>54,243,617</u>	<u>108,207,623</u>	<u>91,950,907</u>	<u>170,518,234</u>	<u>146,194,524</u>
Long-term debt outstanding	17,570,571	12,429,503	11,407,354	7,861,236	28,977,925	20,290,739
Other liabilities	3,099,611	3,673,914	1,412,102	1,898,836	4,511,713	5,572,750
Total liabilities	<u>20,670,182</u>	<u>16,103,417</u>	<u>12,819,456</u>	<u>9,760,072</u>	<u>33,489,638</u>	<u>25,863,489</u>
Total deferred inflows of resources	2,396,148	2,178,868	4,256	4,684	2,400,404	2,183,552
Net position:						
Net investment in capital assets	23,118,352	25,470,843	84,000,945	70,385,503	107,119,297	95,856,346
Restricted	6,825,700	4,743,146	2,397,205	2,158,112	9,222,905	6,901,258
Unrestricted	<u>9,300,229</u>	<u>5,747,343</u>	<u>8,985,761</u>	<u>9,642,536</u>	<u>18,285,990</u>	<u>15,389,879</u>
Total net position	<u>\$ 39,244,281</u>	<u>\$ 35,961,332</u>	<u>\$ 95,383,911</u>	<u>\$ 82,186,151</u>	<u>\$ 134,628,192</u>	<u>\$ 118,147,483</u>

Included in Grantsville City's net position is \$9,222,905 which represents resources that are subject to external restrictions on how they may be used, including unspent note payable proceeds, impact fees, etc. The unrestricted net position \$18,285,990 may be used to meet the government's ongoing obligations to citizens and creditors.

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

There was an increase of \$16,631,909 in total net position in the current year as a result of normal operations. This increase is comprised of a \$3,388,249 increase in governmental activities and a \$6,043,033 increase in business-type activities.

A summary of the City's Change in Net Position is found on the following page.

GRANTSVILLE CITY CORPORATION
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2025

Grantsville City’s Changes in Net Position

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	\$ 3,063,436	\$ 2,813,050	\$ 7,587,103	\$ 5,347,418	\$ 10,650,539	\$ 8,160,468
Operating grants and contributions	1,888,717	2,691,361	-	-	1,888,717	2,691,361
Capital grants and contributions	3,246,022	4,952,055	11,536,111	6,915,950	14,782,133	11,868,005
General revenues:						
Property taxes	3,055,484	2,059,338	-	-	3,055,484	2,059,338
Sales tax	4,130,739	3,951,379	-	-	4,130,739	3,951,379
Franchise tax	387,091	380,004	-	-	387,091	380,004
Unrestricted investment earnings	567,310	890,147	557,406	343,845	1,124,716	1,233,992
Total revenues	<u>16,338,799</u>	<u>17,737,334</u>	<u>19,680,620</u>	<u>12,607,213</u>	<u>36,019,419</u>	<u>30,344,547</u>
Program expenses:						
General government	3,899,616	3,383,064	-	-	3,899,616	3,383,064
Public safety	5,068,942	4,462,473	-	-	5,068,942	4,462,473
Highway and public works	1,681,309	2,209,032	-	-	1,681,309	2,209,032
Parks and recreation	1,133,908	1,052,110	-	-	1,133,908	1,052,110
Redevelopment	549,232	20,915	-	-	549,232	20,915
Interest on long term debt	617,543	566,707	-	-	617,543	566,707
Water	-	-	2,858,019	2,914,469	2,858,019	2,914,469
Sewer	-	-	2,339,757	2,353,729	2,339,757	2,353,729
Garbage	-	-	1,239,184	1,167,541	1,239,184	1,167,541
Total expenses	<u>12,950,550</u>	<u>11,694,301</u>	<u>6,436,960</u>	<u>6,435,739</u>	<u>19,387,510</u>	<u>18,130,040</u>
Increase (decrease) in net position before transfers	3,388,249	6,043,033	13,243,660	6,171,474	16,631,909	12,214,507
Transfers in (out)	-	-	-	-	-	-
Increase (decrease) in net position	<u>\$ 3,388,249</u>	<u>\$ 6,043,033</u>	<u>\$ 13,243,660</u>	<u>\$ 6,171,474</u>	<u>\$ 16,631,909</u>	<u>\$ 12,214,507</u>

Governmental activities. Governmental activities increased Grantsville City’s net position by \$3,388,249. The increase in governmental activities is primarily explained by the following:

- Increase in charges for services from building inspection and permit fees revenues.
- Increase in sales and property tax revenues.
- Offset by some increase in general government, public safety, redevelopment, and interest expenses.

Business-type activities. Business-type activities increased Grantsville City’s net position by \$6,171,474. The increase in business-type activities is primarily due to:

- Increases in charges for services revenues, as a result of recent utility rate changes, as well as growth within the City.
- Increases in capital grants and contributions from an increase in developer contributed infrastructure and water shares.
- Increases in interest earnings due to increased interest rates.

Financial Analysis of the Government’s Funds

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

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

GRANTSVILLE CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2025

As of the end of the current fiscal year, Grantsville City's governmental funds reported combined ending fund balances of \$17,152,704. Approximately 18.9% of this total amount, or \$3,241,437, constitutes unassigned fund balance, which is available for spending at the government's discretion. Nonspendable amounts, consisting of inventory and prepaid expenditures, make up 0.2%, or \$33,955, of total fund balance. The remainder of the fund balance, 80.9% or \$13,877,312, is restricted or assigned to indicate that it is not available for new spending because it has already been committed for or restricted for a variety of purposes.

The general fund is the chief operating fund of Grantsville City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,241,437, while total fund balance reached \$10,317,505. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 33% of total general fund expenditures, while total fund balance represents 104% of that amount.

Proprietary funds. Grantsville City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Utility Fund at the end of the year amounted to \$2,999,050; for the Sewer Utility Fund, unrestricted net position amounted to \$5,367,236; and for the Garbage Utility Fund, unrestricted net position amounted to \$619,475.

General Fund Budgetary Highlights

Revenues in the General Fund came in \$770,834 higher than anticipated. The increase was primarily from intergovernmental and other revenue coming in \$709,933 and \$319,821 higher, respectively, than expectations. Building department, however, came in \$264,028 lower than anticipated. Due to conservative budgeting and conscientious spending, expenditures in the General Fund were \$2,356,253 less than budgeted.

The final budgeted revenues were not increased from those originally budgeted.

The budget for expenditures was amended during the year to increase budgeted expenditures from \$11,069,025 to \$12,270,250 (increase of \$1,201,225). The most notable increases were in the public safety department, and parks and recreation. Other changes were due to increases in expected expenditures in the general, and highways and public works departments.

Capital Assets and Debt Administration

Capital assets. Grantsville City's investment in capital assets for its governmental and business-type activities as of June 30, 2025 amount to \$130,441,621 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities and roads. The total net increase in Grantsville City's investment in capital assets was primarily the result of contributed infrastructure assets (roads, water, sewer, and storm drains), contributed and purchased water rights, and other various projects completed.

GRANTSVILLE CITY CORPORATION
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2025

Grantsville City’s Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Land	\$ 1,173,618	\$ 1,173,618	\$ -	\$ -	\$ 1,173,618	\$ 1,173,618
Water rights	-	-	45,707,386	38,582,861	45,707,386	38,582,861
Rights of way and easements			27,000	27,000	27,000	27,000
Buildings	6,921,238	7,179,131	515,097	533,121	7,436,335	7,712,252
Utility distribution and collection systems	-	-	41,683,388	35,899,470	41,683,388	35,899,470
Improvements	3,097,652	2,698,015	-	-	3,097,652	2,698,015
Machinery and equipment	2,153,878	2,375,948	1,085,897	1,045,471	3,239,775	3,421,419
Intangible right-to-use machinery and equipment	2,686	23,217	-	-	2,686	23,217
Infrastructure	25,649,717	22,099,032	-	-	25,649,717	22,099,032
Construction in progress	209,726	1,324,610	2,214,338	1,913,406	2,424,064	3,238,016
	<u>\$ 39,208,515</u>	<u>\$ 36,873,571</u>	<u>\$ 91,233,106</u>	<u>\$ 78,001,329</u>	<u>\$ 130,441,621</u>	<u>\$ 114,874,900</u>

Additional information on Grantsville City’s capital assets can be found at Note 6.

Long-term debt. At the end of the current fiscal year, Grantsville City had total debt outstanding of \$27,046,653. \$20,649,447 of the City’s debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

Grantsville City’s Outstanding Debt

	Governmental Activities		Business-type Activities		Total Government	
	2025	2024	2025	2024	2025	2024
Revenue bonds	\$ 9,763,512	\$ 5,000,512	\$ 10,885,935	\$ 7,497,000	\$ 20,649,447	\$ 12,497,512
Notes payable	6,000,000	6,000,000	-	-	6,000,000	6,000,000
Lease payable	322,770	281,152	74,436	47,760	397,206	328,912
	<u>\$ 16,086,282</u>	<u>\$ 11,281,664</u>	<u>\$ 10,960,371</u>	<u>\$ 7,544,760</u>	<u>\$ 27,046,653</u>	<u>\$ 18,826,424</u>

Grantsville City’s total debt increased by \$8,220,229 during the current fiscal year as a result of issuing or drawing down \$8,151,935 of additional revenue bonds and leases.

During the year, the City issued \$5,000,000 of sales tax revenue bonds, and \$3,261,060 of water revenue bonds. Additionally, the City drew down additional sewer bond proceeds of \$422,875, and obtained new vehicle and equipment leases totaling \$262,292.

Additional information on Grantsville City’s long-term debt can be found in Note 8.

Economic Factors and Next Year’s Budget

Grantsville City continues to approach budgeting for revenues conservatively with a focus on long-term sustainability. The City anticipates continued increases in revenues due the increase in construction, sales tax, and other revenue trends observed over the last few years. The City is also budgeting from an increase in capital projects expenditures. As the City’s population increases, there is an increase in need for infrastructure improvements.

Requests for Information

This financial report is designed to provide a general overview of Grantsville City’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Finance Director, 429 East Main Street, Grantsville, Utah 84029.

BASIC FINANCIAL STATEMENTS

GRANTSVILLE CITY CORPORATION
STATEMENT OF NET POSITION
June 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 10,470,521	\$ 13,464,923	\$ 23,935,444
Receivables:			
Accounts, net	-	576,380	576,380
Taxes	3,096,842	-	3,096,842
Grant receivable	592	-	592
Inventory	14,037	165,763	179,800
Note receivable	1,319,655	-	1,319,655
Lease receivable	199,028	-	199,028
Prepaid items	19,918	-	19,918
Restricted assets:			
Cash and cash equivalents	6,741,154	2,446,631	9,187,785
Intergovernmental receivable	199,052	-	199,052
Capital assets:			
Not being depreciated	1,383,344	47,948,724	49,332,068
Depreciated, net of accumulated depreciation	37,825,171	43,284,382	81,109,553
Total assets	61,269,314	107,886,803	169,156,117
Deferred outflows of resources			
Deferred outflows of resources relating to pensions	1,041,297	320,820	1,362,117
Total assets and deferred outflows of resources	\$ 62,310,611	\$ 108,207,623	\$ 170,518,234
Liabilities:			
Accounts payable	\$ 384,357	\$ 756,654	\$ 1,141,011
Accrued liabilities	589,052	128,337	717,389
Accrued interest payable	2,009,661	125,299	2,134,960
Retention payable - from restricted assets	3,881	49,426	53,307
Liabilities payable from restricted assets	110,625	-	110,625
Unearned revenues	2,035	352,386	354,421
Noncurrent liabilities:			
Due within one year	828,300	568,156	1,396,456
Due in more than one year	15,646,682	10,573,115	26,219,797
Net pension liability	1,095,589	266,083	1,361,672
Total liabilities	20,670,182	12,819,456	33,489,638
Deferred inflows of resources:			
Property tax	2,186,177	-	2,186,177
Leases	199,028	-	199,028
Deferred inflows of resources relating to pensions	10,943	4,256	15,199
Total deferred inflows of resources	2,396,148	4,256	2,400,404
Net position:			
Net investment in capital assets	23,118,352	84,000,945	107,119,297
Restricted for:			
Roads	2,991,036	-	2,991,036
Impact fees	2,329,116	1,440,034	3,769,150
Debt service	375,010	957,171	1,332,181
Building permit	1,130,538	-	1,130,538
Unrestricted	9,300,229	8,985,761	18,285,990
Total net position	39,244,281	95,383,911	134,628,192
Total liabilities, deferred inflows of resources, and net position	\$ 62,310,611	\$ 108,207,623	\$ 170,518,234

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

GRANTSVILLE CITY CORPORATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/programs							
Government activities:							
General government	\$ 3,899,616	\$ 1,734,699	\$ -	\$ -	\$ (2,164,917)	\$ -	\$ (2,164,917)
Public safety	5,068,942	606,697	258,469	-	(4,203,776)	-	(4,203,776)
Highway and public works	1,681,309	-	1,630,248	3,245,822	3,194,761	-	3,194,761
Parks and recreation	1,133,908	645,240	-	200	(488,468)	-	(488,468)
Redevelopment	549,232	76,800	-	-	(472,432)	-	(472,432)
Interest on long-term debt	617,543	-	-	-	(617,543)	-	(617,543)
Total governmental activities	<u>12,950,550</u>	<u>3,063,436</u>	<u>1,888,717</u>	<u>3,246,022</u>	<u>(4,752,375)</u>	<u>-</u>	<u>(4,752,375)</u>
Business-type activities:							
Water	2,858,019	3,916,551	-	9,400,568	-	10,459,100	10,459,100
Sewer	2,339,757	2,379,621	-	2,135,543	-	2,175,407	2,175,407
Garbage	1,239,184	1,290,931	-	-	-	51,747	51,747
Total business-type activities	<u>6,436,960</u>	<u>7,587,103</u>	<u>-</u>	<u>11,536,111</u>	<u>-</u>	<u>12,686,254</u>	<u>12,686,254</u>
Total government	<u>\$ 19,387,510</u>	<u>\$ 10,650,539</u>	<u>\$ 1,888,717</u>	<u>\$ 14,782,133</u>	<u>(4,752,375)</u>	<u>12,686,254</u>	<u>7,933,879</u>
General revenues:							
					3,055,484	-	3,055,484
					4,130,739	-	4,130,739
					387,091	-	387,091
					567,310	557,406	1,124,716
					-	-	-
					<u>8,140,624</u>	<u>557,406</u>	<u>8,698,030</u>
					Changes in Net Position	13,243,660	16,631,909
					3,388,249	82,186,151	118,147,483
					Net position - beginning of period	35,961,332	118,147,483
					Adjustment for GASB 101 (note 15)	(105,300)	(151,200)
					Net position - end of period	<u>\$ 39,244,281</u>	<u>\$ 134,628,192</u>

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

GRANTSVILLE CITY CORPORATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	Special Revenue				Total Governmental Funds
	General	Capital Projects	Redevelopment Agency	Municipal Building Authority	
Assets:					
Cash and cash equivalents	\$ 3,988,206	\$ 5,989,752	\$ 218,555	\$ 274,008	\$ 10,470,521
Receivables, net:					
Taxes receivable	2,993,642	-	103,200	-	3,096,842
Interest receivable	592	-	-	-	592
Lease receivable	199,028	-	-	-	199,028
Inventories	14,037	-	-	-	14,037
Note receivable	99,437	-	-	1,220,218	1,319,655
Prepaid items	19,918	-	-	-	19,918
Restricted assets:					
Cash and cash equivalents	6,366,144	-	-	375,010	6,741,154
Receivables: Intergovernmental	199,052	-	-	-	199,052
Total assets	\$ 13,880,056	\$ 5,989,752	\$ 321,755	\$ 1,869,236	\$ 22,060,799
Liabilities, deferred inflows of resources and fund balances					
Liabilities:					
Accounts payable	\$ 362,832	\$ 6,990	\$ 14,535	\$ -	\$ 384,357
Accrued liabilities	588,451	-	601	-	589,052
Liabilities payable from restricted assets	114,506	-	-	-	114,506
Unearned revenues	2,035	-	-	-	2,035
Total liabilities	1,067,824	6,990	15,136	-	1,089,950
Deferred inflows of resources:					
Unavailable revenue - property tax	2,196,262	-	103,200	-	2,299,462
Unavailable revenue - lease receivable	199,028	-	-	-	199,028
Unavailable revenue - note receivable	99,437	-	-	1,220,218	1,319,655
Total deferred inflows of resources	2,494,727	-	103,200	1,220,218	3,818,145
Fund Balances:					
Nonspendable:					
Inventories	14,037	-	-	-	14,037
Prepaid	19,918	-	-	-	19,918
Restricted:					
Roads	2,991,036	-	-	-	2,991,036
Impact fees	2,329,116	-	-	-	2,329,116
Debt service	-	-	-	375,010	375,010
Building permit	1,130,538	-	-	-	1,130,538
Assigned:					
Cemetery care	591,423	-	-	-	591,423
Municipal Building Authority	-	-	-	274,008	274,008
Redevelopment Agency	-	-	203,419	-	203,419
Capital projects	-	5,982,762	-	-	5,982,762
Unassigned:	3,241,437	-	-	-	3,241,437
Total fund balances	10,317,505	5,982,762	203,419	649,018	17,152,704
Total liabilities, deferred inflows of resources and fund balances	\$ 13,880,056	\$ 5,989,752	\$ 321,755	\$ 1,869,236	\$ 22,060,799

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

GRANTSVILLE CITY CORPORATION
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2025

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

Total fund balances - governmental funds	\$ 17,152,704
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.	39,208,515
Notes receivable and the accrued interest are not current financial resources and are therefore reported as deferred inflows of resources in the funds.	1,319,655
Some of the City's property taxes (delinquent taxes) will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are not recorded in the funds. Receivables and revenues are recorded on the accrual basis in the statement of activities.	113,285
Pension liabilities, assets, deferred inflows, and deferred outflows are not due and payable in the current period and, therefore, are not recorded in the governmental funds.	
Deferred outflows of resources relating to pensions	1,041,297
Net pension liability	(1,095,589)
Deferred inflows of resources relating to pensions	(10,943)
Accrued Interest payable is not due and payable in the current period and, therefore, is not recorded in the funds.	(2,009,661)
Long-term liabilities are not due and payable in the current period and, therefore, are not recorded in the funds.	(16,474,982)
Total net position - governmental activities	<u><u>\$ 39,244,281</u></u>

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

GRANTSVILLE CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	Special Revenue				Total Governmental Funds
	General	Capital Projects	Redevelopment Agency	Municipal Building Authority	
Revenues:					
Taxes	\$ 6,822,806	\$ -	\$ 738,434	\$ -	\$ 7,561,240
Licenses and permits	659,801	-	-	-	659,801
Intergovernmental	1,908,717	-	-	76,800	1,985,517
Charges for services	1,053,457	-	-	257,050	1,310,507
Impact fees	754,821	-	-	-	754,821
Fines and forfeitures	204,341	-	-	-	204,341
Interest	412,411	75,322	15,088	65,669	568,490
Miscellaneous	114,166	-	-	-	114,166
Total revenues	<u>11,930,520</u>	<u>75,322</u>	<u>753,522</u>	<u>399,519</u>	<u>13,158,883</u>
Expenditures:					
Current:					
General government	3,209,960	499,000	-	-	3,708,960
Public safety	4,429,409	-	-	-	4,429,409
Highway and public works	638,777	143,641	-	-	782,418
Parks and recreation	902,116	-	-	-	902,116
Redevelopment	-	-	495,931	-	495,931
Debt service:					
Principal	125,993	-	-	237,000	362,993
Interest	8,448	-	-	136,193	144,641
Capital outlay:					
General government	26,353	-	-	-	26,353
Public safety	228,594	-	-	-	228,594
Highway and public works	91,186	11,128	-	-	102,314
Parks and recreation	253,161	218,444	-	-	471,605
Redevelopment	-	-	62,120	-	62,120
Total expenditures	<u>9,913,997</u>	<u>872,213</u>	<u>558,051</u>	<u>373,193</u>	<u>11,717,454</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,016,523</u>	<u>(796,891)</u>	<u>195,471</u>	<u>26,326</u>	<u>1,441,429</u>
Other financing sources (uses):					
Transfer in (out)	-	137,720	(137,720)	-	-
Lease proceeds	172,381	-	-	-	172,381
Proceeds from note payable	-	5,000,000	-	-	5,000,000
Total other financing sources (uses)	<u>172,381</u>	<u>5,137,720</u>	<u>(137,720)</u>	<u>-</u>	<u>5,172,381</u>
Net change in fund balances	2,188,904	4,340,829	57,751	26,326	6,613,810
Fund balance - beginning of period	<u>8,128,601</u>	<u>1,641,933</u>	<u>145,668</u>	<u>622,692</u>	<u>10,538,894</u>
Fund balance - end of period	<u>\$ 10,317,505</u>	<u>\$ 5,982,762</u>	<u>\$ 203,419</u>	<u>\$ 649,018</u>	<u>\$ 17,152,704</u>

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

GRANTSVILLE CITY CORPORATION
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

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

Net change in fund balances - total governmental funds	\$ 6,613,810
Governmental funds have reported capital outlays, past and present, as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	890,986
Depreciation expense	(1,763,556)
Disposal of assets	(38,308)
Capital assets contributed to the City from developers is not recorded in the governmental funds. However, in the statement of activities, those contributed amounts are reported as capital contribution revenues.	
	3,245,822
Accrued interest on note receivables is recorded as revenue in the statement of activities but deferred until available in the governmental funds.	
	(1,180)
Principal amounts received on the note receivable balance is recognized as revenue in the governmental funds but deferred until available in the governmental funds.	
	(76,800)
Compensated absences do not require current financial resources and therefore are not recorded as an expenditure in the governmental funds.	
	3,600
Property taxes levied in prior years but not yet collected are not recognized in the governmental funds because they are not available. They are, however, recorded as revenues in the statement of activities. During the year, the net effect of delinquent taxes during the year was:	
	12,074
Repayment of bond and lease principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.	
	367,763
Pension liabilities do not require current financial resources and therefore are not recorded in the governmental funds.	
	(220,679)
Governmental funds report proceeds from debt as revenues, however, in the government-wide statements, these revenues are reported as long-term liabilities.	
	(5,172,381)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expense is reported when due and paid.	
	(472,902)
Change in net position of governmental activities	\$ 3,388,249

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

GRANTSVILLE CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
Revenues:				
Taxes	\$ 6,870,322	\$ 6,870,322	\$ 6,822,806	\$ (47,516)
Licenses and permits	31,000	31,000	36,842	5,842
Intergovernmental	1,178,784	1,178,784	1,888,717	709,933
Charges for services	63,500	63,500	51,328	(12,172)
Fines and forfeitures	188,500	188,500	204,341	15,841
Building department	1,134,000	1,134,000	869,972	(264,028)
Community development	601,400	601,400	739,536	138,136
Other revenue	435,000	435,000	754,821	319,821
Miscellaneous	657,180	657,180	562,157	(95,023)
Total revenues	11,159,686	11,159,686	11,930,520	770,834
Expenditures:				
General government:				
Administrative	1,109,600	1,159,600	1,156,132	3,468
Judicial	245,050	255,050	252,875	2,175
Library	462,650	469,650	447,725	21,925
Planning and zoning	601,400	701,400	695,792	5,608
Building inspections	934,000	774,000	683,789	90,211
Public safety:				
Police	4,225,000	4,379,225	4,277,682	101,543
Fire	391,800	391,800	341,274	50,526
Animal control	49,500	49,500	39,047	10,453
Highway and public works:				
Streets	401,425	401,425	371,361	30,064
Class "C" roads	1,138,000	1,138,000	358,602	779,398
Parks and recreation:				
Parks	819,500	1,859,500	672,975	1,186,525
Community relations	185,100	185,100	161,599	23,501
Cemetery	371,000	371,000	320,703	50,297
Debt services:				
Principal	126,000	126,000	125,993	7
Interest	9,000	9,000	8,448	552
Total expenditures	11,069,025	12,270,250	9,913,997	2,356,253
Excess of revenues over expenditures	90,661	(1,110,564)	2,016,523	3,127,087
Other financing sources (uses):				
Sale of capital assets	-	125,925	-	(125,925)
Lease proceeds	-	-	172,381	172,381
Transfers in (out)	(200,000)	(200,000)	-	200,000
Total other financing uses	(200,000)	(74,075)	172,381	246,456
Net change in fund balance	\$ (109,339)	\$ (1,184,639)	2,188,904	\$ 3,373,543
Fund balance - beginning of period			8,128,601	
Fund balance - end of period			\$ 10,317,505	

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

GRANTSVILLE CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – REDEVELOPMENT AGENCY
SPECIAL REVENUE FUND
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ -	\$ -	\$ 738,434	\$ 738,434
Interest	6,500.00	6,500.00	15,088	8,588
Total revenues	<u>6,500</u>	<u>6,500</u>	<u>753,522</u>	<u>747,022</u>
Expenditures:				
Redevelopment	26,000	26,000	558,051	(532,051)
Total expenditures	<u>26,000</u>	<u>26,000</u>	<u>558,051</u>	<u>(532,051)</u>
Excess of revenues over expenditures	<u>(19,500)</u>	<u>(19,500)</u>	<u>195,471</u>	<u>214,971</u>
Other financing sources (uses):				
Transfers in (out)	-	-	(137,720)	137,720
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(137,720)</u>	<u>(137,720)</u>
Net Change in fund balance	<u>\$ (19,500)</u>	<u>\$ (19,500)</u>	<u>57,751</u>	<u>\$ 77,251</u>
Fund balance - beginning of period			<u>145,668</u>	
Fund balance - end of period			<u>\$ 203,419</u>	

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

GRANTSVILLE CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – MUNICIPAL BUILDING AUTHORITY
SPECIAL REVENUE FUND
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 257,050	\$ 257,050	\$ 257,050	\$ -
Intergovernmental	117,100	117,100	76,800	(40,300)
Interest	18,000	18,000	65,669	47,669
Total revenues	<u>392,150</u>	<u>392,150</u>	<u>399,519</u>	<u>7,369</u>
Expenditures:				
Debt:				
Interest	136,455	136,455	136,193	262
Principal	237,000	237,000	237,000	-
Total expenditures	<u>373,455</u>	<u>373,455</u>	<u>373,193</u>	<u>262</u>
Net change in fund balance	<u>\$ 18,695</u>	<u>\$ 18,695</u>	26,326	<u>\$ 7,631</u>
Fund balance - beginning of period			<u>622,692</u>	
Fund balance - end of period			<u>\$ 649,018</u>	

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

GRANTSVILLE CITY CORPORATION
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2025

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Garbage	Totals
Assets:				
Current assets:				
Cash and cash equivalents	\$ 7,437,381	\$ 5,444,513	\$ 583,029	\$ 13,464,923
Accounts receivable, net	255,543	207,813	113,024	576,380
Inventory of supplies	128,694	7,664	29,405	165,763
Total current assets	7,821,618	5,659,990	725,458	14,207,066
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	1,913,539	533,092	-	2,446,631
Capital assets not being depreciated:				
Water rights	45,707,386	-	-	45,707,386
Rights of way and easements	27,000	-	-	27,000
Construction in progress	1,100,249	1,114,089	-	2,214,338
Capital assets, net of accumulated depreciation:				
Utility distribution and collection systems	19,619,888	22,057,873	5,626	41,683,387
Buildings	201,776	225,014	88,308	515,098
Equipment	773,724	274,665	37,508	1,085,897
Total noncurrent assets	69,343,562	24,204,733	131,442	93,679,737
Total assets	77,165,180	29,864,723	856,900	107,886,803
Deferred outflows of resources				
Deferred outflows of resources relating to pensions	162,610	128,437	29,773	320,820
Total assets and deferred outflows of resources	\$ 77,327,790	\$ 29,993,160	\$ 886,673	\$ 108,207,623
Liabilities:				
Current liabilities:				
Accounts payable	\$ 533,348	\$ 132,483	\$ 90,823	\$ 756,654
Accrued liabilities	85,004	34,610	8,723	128,337
Interest payable	54,323	70,976	-	125,299
Retention payable - from restricted assets	49,426	-	-	49,426
Unearned revenue	352,386	-	-	352,386
Compensated absences	77,920	59,760	7,040	144,720
Lease payable	37,218	37,218	-	74,436
Bonds payable	163,000	186,000	-	349,000
Total current liabilities	1,352,625	521,047	106,586	1,980,258
Noncurrent liabilities:				
Compensated absences	19,480	14,940	1,760	36,180
Bonds payable	5,818,060	4,718,875	-	10,536,935
Net pension liability	134,507	104,166	27,410	266,083
Total noncurrent liabilities	5,972,047	4,837,981	29,170	10,839,198
Total liabilities	7,324,672	5,359,028	135,756	12,819,456
Deferred inflows of resources				
Deferred inflows of resources relating to pensions	-	4,256	-	4,256
Net position:				
Net investment in capital assets	65,139,955	18,729,548	131,442	84,000,945
Restricted for capital projects	1,128,848	311,186	-	1,440,034
Restricted for debt service	735,265	221,906	-	957,171
Unrestricted	2,999,050	5,367,236	619,475	8,985,761
Total net position	70,003,118	24,629,876	750,917	95,383,911
Total liabilities deferred inflows of resources, and net position	\$ 77,327,790	\$ 29,993,160	\$ 886,673	\$ 108,207,623

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

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

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Garbage	Totals
Operating revenues:				
Charges for services	\$ 2,505,087	\$ 2,379,621	\$ 1,290,931	\$ 6,175,639
Intergovernmental revenue	897,180	-	-	897,180
Connection fees	376,557	-	-	376,557
Other	137,727	-	-	137,727
Total operating revenues	<u>3,916,551</u>	<u>2,379,621</u>	<u>1,290,931</u>	<u>7,587,103</u>
Operating expenses:				
Salaries and wages	666,684	582,391	124,036	1,373,111
Employee benefits	313,650	290,585	52,786	657,021
Professional services	197,426	180,264	27,027	404,717
Materials and supplies	520,166	177,438	45,811	743,415
Depreciation	787,066	863,752	16,047	1,666,865
Utilities	306,625	169,315	9,608	485,548
Waste collection and disposal	-	-	963,869	963,869
Other operating expenses	9,809	-	-	9,809
Total operating expenses	<u>2,801,426</u>	<u>2,263,745</u>	<u>1,239,184</u>	<u>6,304,355</u>
Operating income (loss)	<u>1,115,125</u>	<u>115,876</u>	<u>51,747</u>	<u>1,282,748</u>
Other nonoperating revenues (expenses):				
Capital contributions	8,870,898	1,396,731	-	10,267,629
Grants	-	249,275	-	249,275
Investment earnings	328,876	211,268	17,262	557,406
Impact fees	529,670	489,537	-	1,019,207
Interest expense	(56,593)	(76,012)	-	(132,605)
Total other nonoperating revenues (expenses)	<u>9,672,851</u>	<u>2,270,799</u>	<u>17,262</u>	<u>11,960,912</u>
Increase (decrease) in fund net position	10,787,976	2,386,675	69,009	13,243,660
Fund net position - beginning of period	59,237,342	22,264,601	684,208	82,186,151
Adjustment for GASB 101 (note 15)	(22,200)	(21,400)	(2,300)	(45,900)
Fund net position - end of period	<u>\$ 70,003,118</u>	<u>\$ 24,629,876</u>	<u>\$ 750,917</u>	<u>\$ 95,383,911</u>

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

GRANTSVILLE CITY CORPORATION
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For The Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Garbage	Totals
Cash flows from operating activities:				
Receipts from customers and users	\$ 3,886,358	\$ 2,323,911	\$ 1,283,744	\$ 7,494,013
Payments to suppliers	(587,207)	(770,277)	(1,097,055)	(2,454,539)
Payments to employees and related benefits	(923,210)	(852,670)	(168,010)	(1,943,890)
Net cash flows from operating activities	2,375,941	700,964	18,679	3,095,584
Cash flows from capital and related Financing activities:				
Grants	(449,643)	-	-	(449,643)
Impact fees	529,670	489,537	-	1,019,207
Bond proceeds	3,261,060	422,875	-	3,683,935
Principal paid on bonds	(161,000)	(134,000)	-	(295,000)
Principal paid on leases	(31,618)	(31,616)	-	(63,234)
Interest paid	(42,537)	(75,727)	-	(118,264)
Purchases of capital assets	(2,858,956)	(1,682,147)	-	(4,541,103)
Net cash flows from (used by) capital and related financing activities	246,976	(1,011,078)	-	(764,102)
Cash flows from investing activities:				
Interest on investments	328,876	211,268	17,262	557,406
Net cash flows from investing activities	328,876	211,268	17,262	557,406
Net increase (decrease) in cash	2,951,793	(98,846)	35,941	2,888,888
Cash at beginning of year	6,399,127	6,076,451	547,088	13,022,666
Cash at end of year	\$ 9,350,920	\$ 5,977,605	\$ 583,029	\$ 15,911,554
As reported on the statement of net position				
Cash and cash equivalents	\$ 7,437,381	\$ 5,444,513	\$ 583,029	\$ 13,464,923
Restricted cash and cash equivalents	1,913,539	533,092	-	2,446,631
	\$ 9,350,920	\$ 5,977,605	\$ 583,029	\$ 15,911,554
Reconciliation of operating income to net cash flows from operating activities:				
Operating income (loss)	\$ 1,115,125	\$ 115,876	\$ 51,747	\$ 1,282,748
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation expense	787,066	863,752	16,047	1,666,865
Pension expense adjustment	29,282	21,298	6,894	57,474
(Increase) Decrease in assets and deferred outflows				
Accounts receivable	(30,193)	(55,710)	(7,187)	(93,090)
Inventory	(21,295)	420	(5,281)	(26,156)
Increase (Decrease) in liabilities and deferred inflows				
Accounts payable	418,688	(172,614)	(45,459)	200,615
Accrued liabilities	13,042	4,108	1,718	18,868
Retention payable	49,426	(71,066)	-	(21,640)
Compensated absences	14,800	(5,100)	200	9,900
Net cash flows from operating activities	\$ 2,375,941	\$ 700,964	\$ 18,679	\$ 3,095,584
Value of assets contributed from developers or gov't funds	\$ 8,870,898	\$ 1,396,731	\$ -	\$ 10,267,629

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

GRANTSVILLE CITY CORPORATION NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Grantsville City Corporation (the City) operates under a council form of government and provides the following services as authorized by its charter: public safety, highways, recreation, water, sewer, and garbage.

The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

The Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in the related GASB pronouncement. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability of fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

Blended Component Units

The Municipal Building Authority was created by the City during fiscal year 1996. The Authority used the proceeds of tax-exempt bonds to acquire capital assets for the City. The bonds are secured by a lease agreement with the City and have been retired through lease payments from the City. The Municipal Building Authority is governed by the City Council. Because the Authority's governing body is substantially the same as the City's, the financial data is included in the reporting entity using the blended method.

The City's Redevelopment Agency uses tax increment financing to support redevelopment projects within the City. The Agency is governed by the City's Mayor and City Council. Because the Agency's governing body is the same as the City's, the financial data is included in the reporting entity using the blended method.

Related Organizations

The City is responsible for appointing a majority of the members of boards of various public infrastructure districts (PIDs). The City's accountability for these organizations does not extend beyond making appointments. These PIDs are:

- Desert PID numbers 1 through 13
- Elk Ridges Estates PID numbers 1 through 3
- Highlands PID numbers 1 through 3
- Desert Edge PID numbers 1 through 3
- 84Eighty PID
- Sun Sage Terrace PID

The City's basic financial statements include all City operations.

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures or expenses as appropriate.

The City reports the following major governmental funds:

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

The Capital Projects Fund accounts for the financial resources to be used for the acquisition or construction of the major capital facilities of the government (other than those financed by proprietary or special revenue funds).

The Redevelopment Agency accounts for revenues derived from specific taxes which are to finance particular functions of the City.

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating Municipal Building Authority Special Revenue Fund accounts for the rental revenues from the City Building and the related bond payments.

The City reports the following major proprietary funds:

The Water Fund accounts for the activities of the City's water distribution system.

The Sewer Fund accounts for the activities of the City's sewer collection operations.

The Garbage Fund accounts for the activities of the City's solid waste collection of the City.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by various enterprise funds for providing administrative and billing services for such funds. The general fund's general government, fire, and parks and recreation departments use significant utility services provided by the water fund, and therefore is charged for those utilities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water enterprise fund, the Sewer enterprise fund, and the Garbage enterprise fund are charges to customers of the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Budgetary Data

The City Council follows these procedures in establishing the budgetary data reflected in the financial statement –

- (1) Prior to May 1, the City Recorder submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted in the City to obtain taxpayer comments.
- (3) Prior to June 22, the budget is formally adopted after a public hearing.
- (4) The City Council is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that increase the total expenditures of any fund must be approved at a public hearing.

Budgeted amounts are as originally adopted, or as amended by the City Council

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are defined as the cash and cash equivalents accounts and the restricted cash and cash equivalents accounts.

Inventory

Inventory is valued at the lower of cost (first-in, first-out method) or market. In the governmental fund financial statements, expenditures are recorded as inventory is used (consumption method).

Restricted Assets

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

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Pension Asset and Net Pension Liability

In the governmental and business-type activities, the City reports Net Pension Asset and Net Pension Liability. The net pension asset and liability is the City's proportionate share of the Utah Retirement Systems Pension Plan's (URS) funding or shortfall in relation to the City's proportionate share of the calculated retirement benefits for the retirement plans offered by the URS. See Note 9 for more information on the URS Pension Plan.

Capital Assets

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased, or estimated historical cost if constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, equipment and infrastructure are depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10-50
Utility distribution and collection systems	10-50
Infrastructure	10-30
Vehicles	5-10
Equipment	3-30

Intangible right-to-use assets are amortized over the useful life of the asset or the lease term, whichever is shorter. Amortization expense of leased right-to-use assets is included in depreciation expense.

Compensated Absences

All vacation pay and compensation time is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirements. Sick pay amounts are charged as wages when used.

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.

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

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

Equity Classifications

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

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

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

- (1) Nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- (2) Restricted fund balance classifications are restricted by enabling legislation. Also reported if, (a) externally imposed by creditor, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- (3) Committed fund balance classification includes those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council, which is the government’s highest level of decision making authority.
- (4) Assigned fund balance classification includes amounts that are constrained by the government’s intent to use the funds for specific purposes, but are neither restricted nor committed, as established by the City Finance Director. Also includes all remaining amounts that are reported in governmental funds, other than the General Fund that are not classified as nonspendable, restricted, or committed, that are intended to be used for specific purposes.
- (5) Unassigned fund balance classification is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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

When committed, assigned, or unassigned resources are available for use, it is the City’s policy to use committed resources first, followed by assigned resources, then unassigned resources as they are needed.

Property Taxes

Property taxes attach as an enforceable lien on property as of the first of January. Taxes are levied on October 1 and are due and payable at November 30.

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates in Preparing Financial Statements

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

NOTE 2 CASH AND CASH EQUIVALENTS

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

Custodial credit risk – deposits is the risk that in the event of bank failure, the local government’s deposits may not be recovered. The local government’s policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Money Management Council. As of June 30, 2025, \$3,420,067 of the local government’s bank balances of \$3,691,160 was uninsured and uncollateralized.

Custodial credit risk – investments is the risk that in the event of the failure of the counterparty, the local government will not be able to recover the value of its investment that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk of investments. The City’s investment in the Utah Public Treasurer’s Investment Fund has no custodial credit risk.

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as “first-tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investor Services or Standard & Poors; banker acceptances; obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated “A” or higher by two nationally recognized statistical rating organizations as defined by the Act.

The City is authorized to invest in the PTIF, an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants’ average daily balances.

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

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 2 CASH AND CASH EQUIVALENTS (Continued)

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

	6/30/2025	Fair Value Measurements by Level		
		Level 1	Level 2	Level 3
Investments by fair value level				
Utah Public Treasurer's Investment Fund	\$ 30,026,147	\$ -	\$ 30,026,147	\$ -
Total investments by fair value level	\$ 30,026,147	\$ -	\$ 30,026,147	\$ -

For the year ended June 30, 2025, the City had deposits of \$29,966,651 with the PTIF, with the fair value of these investments being \$30,026,147. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

All cash and cash equivalent balances approximate their fair value. As of June 30, 2025, the City had the following cash and cash equivalents:

Cash on hand	\$ 1,375
Cash on deposit	3,155,203
Utah State Treasurer's investment pool account	<u>29,966,651</u>
Total cash and cash equivalents	<u>\$ 33,123,229</u>

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The local government manages its exposure to declines in fair value by investment mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment in the Utah Public Treasurer's Investment Fund has no concentration of credit risk.

NOTE 3 RESTRICTED CASH AND CASH EQUIVALENTS

Certain cash and cash equivalent amounts are restricted to use as follows as of June 30, 2025, which are reported in the aggregate in the Statement of Net Position:

	Governmental Activities	Business-type Activities	Totals
Restricted for bond payments	\$ 375,010	\$ -	\$ 375,010
Restricted for repair and replacement	-	1,006,597	1,006,597
Restricted for unspent class "C" road monies	2,791,984	-	2,791,984
Restricted revenue for future construction - impact fees	2,329,116	1,440,034	3,769,150
Restricted for retainage payable amounts	3,881	-	3,881
Restricted for building permits	1,236,116	-	1,236,116
Restricted for court bail held	<u>5,047</u>	<u>-</u>	<u>5,047</u>
Total restricted cash and cash equivalents	<u>\$ 6,741,154</u>	<u>\$ 2,446,631</u>	<u>\$ 9,187,785</u>

NOTE 4 ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for doubtful accounts receivable at June 30, 2025 for all funds is \$3,088.

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 5 NOTE AND LEASE RECEIVABLES

Note receivables

Grantsville City has two notes receivable:

- 1) Amounts due from an entity as a result of a land sale in 2006. The original amount of the note is \$82,725. This note bears interest at 1%. The principal and all accrued interest is due on April 12, 2035. Accrued interest as of June 30, 2025 is \$16,712.
- 2) As a result of an agreement in 2011, the Tooele City RDA agreed to pay Grantsville City a total of \$2,917,300 over 25 years to help finance Grantsville City's Series 2011 MBA Lease Revenue Bond which paid for the Grantsville City library. The effective interest on the note is 3.14% on an agreed principal amount of \$2,000,000. Payments are to be made annually, and are scheduled to end in October 2037. As of June 30, 2025, the note carried a balance of \$1,192,000 and accrued interest of \$28,218.

Lease receivables

During the fiscal year 2022, the City entered into a leasing arrangement with a telecommunications company to lease land owned by the City for the purpose of constructing a communications tower. The lease is currently estimated to terminate in 2041. Annual payments are scheduled to be received with payments increasing after each renewal period of five years. The lease receivable and deferred inflow of resources related to leases are calculated by using the present value of the future lease payments schedule to be received. The present value was calculated using an interest rate of 3.57% and resulted in a calculated present value of \$236,452. The lease receivable will be reduced as payments are received, and the deferred inflow related to leases will be recognized as lease revenue over the lease term. Lease revenue recognized during the year was \$8,572. The lease receivable balance at June 30, 2025 was \$199,028.

Remainder of page intentionally left blank

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 6 CAPITAL ASSETS AND DEPRECIATION

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers/CIP</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 1,173,618	\$ -	\$ -	\$ -	\$ 1,173,618
Construction in progress	1,324,610	578,652	(31,314)	(1,662,222)	209,726
Total capital assets, not being depreciated	<u>2,498,228</u>	<u>578,652</u>	<u>(31,314)</u>	<u>(1,662,222)</u>	<u>1,383,344</u>
Capital assets, being depreciated:					
Buildings	9,932,145	-	-	-	9,932,145
Improvements	3,357,474	5,052	-	562,936	3,925,462
Machinery and equipment	5,319,313	307,283	(44,452)	-	5,582,144
Intangible right-to-use machinery and equipment	191,651	-	(42,491)	-	149,160
Infrastructure	27,322,785	3,245,822	-	1,099,286	31,667,893
Total capital assets being depreciated	<u>46,123,368</u>	<u>3,558,157</u>	<u>(86,943)</u>	<u>1,662,222</u>	<u>51,256,804</u>
Less accumulated depreciation for:					
Buildings	2,753,014	257,893	-	-	3,010,907
Improvements	659,459	168,351	-	-	827,810
Machinery and equipment	2,943,365	522,358	(37,457)	-	3,428,266
Intangible right-to-use machinery and equipment	168,434	20,531	(42,491)	-	146,474
Infrastructure	5,223,753	794,423	-	-	6,018,176
Total accumulated depreciation	<u>11,748,025</u>	<u>1,763,556</u>	<u>(79,948)</u>	<u>-</u>	<u>13,431,633</u>
Total capital assets, being depreciated, net	<u>34,375,343</u>	<u>1,794,601</u>	<u>(6,995)</u>	<u>1,662,222</u>	<u>37,825,171</u>
Governmental activities capital assets, net	<u>\$ 36,873,571</u>	<u>\$ 2,373,253</u>	<u>\$ (38,309)</u>	<u>\$ -</u>	<u>\$ 39,208,515</u>

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

Governmental activities:	
General government	\$ 110,913
Public safety	516,193
Highway and public works	896,179
Parks and recreation	218,285
Redevelopment	21,986
Total depreciation expense - governmental activities	<u>\$ 1,763,556</u>

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 6 CAPITAL ASSETS AND DEPRECIATION (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers/CIP</u>	<u>Ending Balance</u>
Business-type Activities:					
Capital assets, not being depreciated:					
Water rights	\$ 38,582,861	\$ 7,124,525	\$ -	\$ -	\$ 45,707,386
Easements and rights of way	27,000	-	-	-	27,000
Construction in progress	1,913,406	4,425,735	(17,475)	(4,107,328)	2,214,338
Total capital assets, not being depreciated	<u>40,523,267</u>	<u>11,550,260</u>	<u>(17,475)</u>	<u>(4,107,328)</u>	<u>47,948,724</u>
Capital assets, being depreciated:					
Buildings	1,315,372	-	-	-	1,315,372
Utility distribution and collection systems	54,486,800	3,152,038	-	4,107,328	61,746,166
Machinery and equipment	2,021,195	213,819	(26,066)	-	2,208,948
Total capital assets being depreciated	<u>57,823,367</u>	<u>3,365,857</u>	<u>(26,066)</u>	<u>4,107,328</u>	<u>65,270,486</u>
Less accumulated depreciation for:					
Buildings	782,251	18,024	-	-	800,275
Utility distribution and collection systems	18,587,330	1,475,448	-	-	20,062,778
Machinery and equipment	975,724	173,393	(26,066)	-	1,123,051
Total accumulated depreciation	<u>20,345,305</u>	<u>1,666,865</u>	<u>(26,066)</u>	<u>-</u>	<u>21,986,104</u>
Total capital assets, being depreciated, net	<u>37,478,062</u>	<u>1,698,992</u>	<u>-</u>	<u>4,107,328</u>	<u>43,284,382</u>
Business-type activities capital assets, net	<u>\$ 78,001,329</u>	<u>\$ 13,249,252</u>	<u>\$ (17,475)</u>	<u>\$ -</u>	<u>\$ 91,233,106</u>

Depreciation expenses were charged to functions/programs of the primary government as follows:

Business-type activities:	
Water	\$ 787,066
Sewer	863,752
Garbage	16,047
Total depreciation expense - business-type activities	<u>\$ 1,666,865</u>

NOTE 7 DEFERRED OUTFLOWS/ INFLOW OF RESOURCES

The governmental funds report unavailable revenues from long-term notes receivable of \$1,319,655 which will be recognized as an inflow of resources (revenues) in the period in which the amounts become available.

The governmental funds also report unavailable resources from property taxes of \$2,299,462 as deferred inflows of resources due to the property taxes being recognized as receivables prior to the period for which the taxes are levied. These amounts are also reported as deferred inflows of resources on the government-wide statement of net position.

As a result of implementing GASB 68, the governmental and business-type activities also report deferred outflows of resources and deferred inflows of resources relating to pensions. See Note 9 for more information.

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 8 LONG-TERM DEBT

The following is a summary of changes in long-term liabilities for the year ended June 30, 2025.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One year
Governmental Activities:					
Revenue bonds - direct placements					
Library - Series 2011	\$ 1,575,512	\$ -	\$ 96,000	\$ 1,479,512	\$ 98,000
Fire Station - Series 2005	1,118,000	-	70,000	1,048,000	72,000
Justice Center - Series 2016	2,307,000	-	71,000	2,236,000	73,000
Infrastructure - Series 2025	-	5,000,000	-	5,000,000	134,000
Note payable	6,000,000	-	-	6,000,000	-
Lease payable	281,152	172,381	130,763	322,770	140,340
Compensated absences	392,300	-	3,600 *	388,700	310,960
Net pension liability	860,839	234,750	-	1,095,589	-
Total governmental activity long-term liabilities	\$ 12,534,803	\$ 5,407,131	\$ 371,363	\$ 17,570,571	\$ 828,300
Business-type Activities:					
Revenue Bonds - direct placements					
Water - Series 2018	\$ 2,881,000	\$ -	\$ 161,000	\$ 2,720,000	\$ 163,000
Water - Series 2025	-	3,261,060	-	3,261,060	-
Sewer - Series 2018	4,366,000	-	134,000	4,232,000	136,000
Sewer - Series 2024	250,000	422,875	-	672,875	50,000
Lease payable	47,760	89,911	63,235	74,436	74,436
Compensated absences	171,000	9,900 *	-	180,900	144,720
Net pension liability	191,376	74,707	-	266,083	-
Total business-type activity long-term liabilities	\$ 7,907,136	\$ 3,858,453	\$ 358,235	\$ 11,407,354	\$ 568,156

* - indicates a net addition or reduction to compensated absences liability.

Compensated absences in the governmental activities are generally liquidated by the general fund. Compensated absences of the business-type activities are liquidated through their respective funds. During the year ended June 30, 2025, the City implemented GASB Statement No. 101 *Compensated Absences*, which required a restatement of the beginning balance of compensated absences in both the governmental activities, and business-type activities. See Note 15 for additional information on the restatement.

Governmental Activities

Sales Tax Revenue Bonds, Series 2025

The Sales Tax Revenue Bonds, Series 2025 was issued April 17, 2025 for \$5,000,000. This bond was issued to finance several infrastructure projects, referred to as the “Series 2025 Project”. These infrastructure projects consist of the Matthews Lane project, Scenic Slopes Park project, and Veterans Park project. The bond has an interest rate of 4.48 percent and matures in June 2045. The City has pledged sales tax revenue to repay the principal and interest on these bonds.

This bond contains a provision that in the event of a failure to pay the scheduled principal and interest payments, the outstanding principal and any outstanding interest on these bonds may become immediately due and payable.

MBA Lease Revenue Bonds, Series 2016

The MBA Lease Revenue Bond, Series 2016 was issued in December 2016 for \$2,700,000. This bond was issued to construct the justice center. The bond has an interest rate of 2.5 percent and matures in October 2047. The MBA has pledged the base rental as security to the bond.

This bond contains a provision that in the event of a failure to pay the scheduled principal and interest payments, the outstanding principal and any outstanding interest on these bonds may become immediately due and payable.

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 8 LONG-TERM DEBT (Continued)

MBA Lease Revenue Bonds, Series 2011

The MBA Lease Revenue Bond, Series 2011 was issued in February 2012 for \$2,500,000. This bond was issued to construct the municipal library. The bond has an interest rate of 2.5 percent and matures in October 2037. The MBA has pledged the base rental as security to the bond.

This bond contains a provision that in the event of a failure to pay the scheduled principal and interest payments, the outstanding principal and any outstanding interest on these bonds may become immediately due and payable.

MBA Lease Revenue Bonds, Series 2006

The MBA Lease Revenue Bond, Series 2006 was issued in May 2006 for \$2,000,000. This bond was issued to construct the municipal fire station. The bond has an interest rate of 3.5 percent and matures in January 2037. The MBA has pledged the base rental as security to the bond.

This bond contains a provision that in the event of a failure to pay the scheduled principal and interest payments, the outstanding principal and any outstanding interest on these bonds become immediately due and payable.

Tooele County Note Payable – Redevelopment Agency Advance

The Grantsville City RDA (the RDA) received an advance of \$6,000,000 from Tooele County (the County) to pay for improvements within the Lakeview Business Park area. This advance carries interest of 7% and will be repaid to the County as tax increment is received from taxes generated in that area. Interest began to accrue in January 2021. Payments are due each year once the tax increment is received, which is approximately April of each year, until the balance is fully paid. \$738,434 of tax increment was received during the year ended June 30, 2025.

Business-type Activities

Water Revenue Bonds, Series 2025

The Water Revenue Bond, Series 2025 was issued March 25, 2025 for \$3,294,000. This bond was issued to finance all or portions of improvements to the City's water system, including a 2 million gallon concrete water tank. The bond has an interest rate of 2.0 percent and matures in August 2045. The City has pledged the net revenues of the water fund as security for the bonds. As of June 30, 2025 only \$3,261,060 of the bond proceeds have been drawn down. The remainder is expected to be drawn down during the subsequent fiscal year.

This bond contains a provision that in the event of a failure to pay the scheduled principal and interest payments, the outstanding principal and any outstanding interest on these bonds may become immediately due and payable.

Water Revenue Bonds, Series 2018

The Water Revenue Bond, Series 2018 was issued in December 2018 for \$2,700,000. This bond was issued to finance all or portions of improvements to the City's water system. The bond has an interest rate of 1.5 percent and matures in August 2039. The City has pledged the net revenues of the water fund as security for the bonds.

This bond contains a provision that in the event of a failure to pay the scheduled principal and interest payments, the outstanding principal and any outstanding interest on these bonds may become immediately due and payable.

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 8 LONG-TERM DEBT (Continued)

Sewer Revenue Bonds, Series 2024

The Sewer Revenue Bonds, Series 2024 was issued in February 2024 for \$1,000,000. This bond was issued to finance costs of the City’s sewer improvements. The bond has an interest rate of 0.00 percent and matures in July 2044. The City has pledged the net revenues of the sewer fund as security for these bonds. As of June 30, 2025 the City has drawn down a total of \$672,875 of the bond proceeds.

This bond contains a provision that in the event of a failure to pay the scheduled principal and interest payments, the outstanding principal and any outstanding interest on these bonds may become immediately due and payable.

Sewer Revenue Bonds, Series 2018

The Sewer Revenue Bonds, Series 2018 was issued in December 2018 for \$4,880,000. This bond was issued to finance all or a portion of the costs of the City’s sewer system. The bond has an interest rate of 1.75 percent and matures in August 2049. The City has pledged the net revenues of the sewer fund as security for these bonds.

This bond contains a provision that in the event of a failure to pay the scheduled principal and interest payments, the outstanding principal and any outstanding interest on these bonds may become immediately due and payable.

NOTE 8 LONG-TERM DEBT (Continued)

The following is a schedule of the future minimum payments for the governmental activities debt:

Fiscal Year Ended June 30	Governmental Activities							
	Revenue Bonds - Direct Placements							
	Library - Series 2011		Fire Station - Series 2005		Justice Center - Series 2016		Infrastructure - Series 2025	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 98,000	\$ 37,250	\$ 72,000	\$ 36,680	\$ 73,000	\$ 55,900	\$ 134,000	\$ 251,378
2027	101,000	34,800	75,000	34,160	75,000	54,075	168,000	217,997
2028	103,000	32,275	77,000	31,535	77,000	52,200	175,000	210,470
2029	106,000	29,700	80,000	28,840	79,000	50,275	183,000	202,630
2030	109,000	27,050	83,000	26,040	81,000	48,300	191,000	194,432
2031	111,000	24,325	86,000	23,135	83,000	46,275	200,000	185,875
2032	114,000	21,550	89,000	20,125	85,000	44,200	209,000	176,915
2033	117,000	18,700	92,000	17,010	87,000	42,075	218,000	167,552
2034	120,000	15,775	95,000	13,790	89,000	39,900	228,000	157,786
2035	123,000	12,775	98,000	10,465	91,000	37,675	238,000	147,571
2036	126,000	9,700	102,000	7,035	94,000	35,400	249,000	136,909
2037	129,000	6,550	99,000	3,465	96,000	33,050	260,000	125,754
2038	122,512	3,225	-	-	98,000	30,650	272,000	114,106
2039	-	-	-	-	101,000	28,200	284,000	101,920
2040	-	-	-	-	103,000	25,675	297,000	89,197
2041	-	-	-	-	106,000	23,100	310,000	75,891
2042	-	-	-	-	109,000	20,450	324,000	62,003
2043	-	-	-	-	111,000	17,725	338,000	47,488
2044	-	-	-	-	114,000	14,950	353,000	32,346
2045	-	-	-	-	117,000	12,100	369,000	16,531
2046	-	-	-	-	120,000	9,175	-	-
2047	-	-	-	-	122,000	6,175	-	-
2048	-	-	-	-	125,000	3,125	-	-
2049	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-
	<u>\$ 1,479,512</u>	<u>\$ 273,675</u>	<u>\$ 1,048,000</u>	<u>\$ 252,280</u>	<u>\$ 2,236,000</u>	<u>\$ 730,650</u>	<u>\$ 5,000,000</u>	<u>\$ 2,714,751</u>
	Interest Rate: 2.50%		Interest Rate: 3.50%		Interest Rate: 2.50%		Interest Rate: 4.48%	

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 8 LONG-TERM DEBT (Continued)

Fiscal Year Ended June 30	Governmental Activities	
	Note Payable	
	Tooele County - RDA Advance	
	Principal	Interest
2026	\$ -	\$ 420,000
2027	-	420,000
2028	-	420,000
2029	-	420,000
2030	-	420,000
2031	-	420,000
2032	-	420,000
2033	-	420,000
2034	-	420,000
2035	-	420,000
2036	-	420,000
2037	-	420,000
2038	-	420,000
2039	-	420,000
2040	-	420,000
2041	-	420,000
2042	-	420,000
2043	-	420,000
2044	-	420,000
2045	-	420,000
2046	-	420,000
2047	-	420,000
2048	-	420,000
2049	-	420,000
2050	6,000,000	420,000
	<u>\$ 6,000,000</u>	<u>\$ 10,500,000</u>

Interest Rate: 7.00%

The following is a schedule of the future minimum payments for the business-type activities debt:

Fiscal Year Ended June 30	Business-type Activities							
	Revenue Bonds - Direct Placements							
	Water - Series 2018		Water - Series 2025		Sewer - Series 2018		Sewer - Series 2024	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 163,000	\$ 40,800	\$ -	\$ 23,058	\$ 136,000	\$ 74,060	\$ 50,000	\$ -
2027	165,000	38,355	136,000	65,880	139,000	71,680	50,000	-
2028	168,000	35,880	138,000	63,160	141,000	69,247	50,000	-
2029	171,000	33,360	141,000	60,400	144,000	66,780	50,000	-
2030	173,000	30,795	144,000	57,580	146,000	64,260	50,000	-
2031	176,000	28,200	147,000	54,700	149,000	61,705	50,000	-
2032	178,000	25,560	150,000	51,760	151,000	59,098	50,000	-
2033	181,000	22,890	153,000	48,760	154,000	56,455	50,000	-
2034	184,000	20,175	156,000	45,700	157,000	53,760	50,000	-
2035	186,000	17,415	159,000	42,580	159,000	51,012	50,000	-
2036	189,000	14,625	162,000	39,400	162,000	48,230	50,000	-
2037	192,000	11,790	165,000	36,160	165,000	45,395	50,000	-
2038	195,000	8,910	168,000	32,860	168,000	42,508	50,000	-
2039	198,000	5,985	172,000	29,500	171,000	39,567	22,875	-
2040	201,000	3,015	175,000	26,060	174,000	36,575	-	-
2041	-	-	179,000	22,560	177,000	33,530	-	-
2042	-	-	182,000	18,980	180,000	30,433	-	-
2043	-	-	186,000	15,340	183,000	27,282	-	-
2044	-	-	190,000	11,620	186,000	24,080	-	-
2045	-	-	194,000	7,820	190,000	20,825	-	-
2046	-	-	164,060	3,940	193,000	17,500	-	-
2047	-	-	-	-	196,000	14,123	-	-
2048	-	-	-	-	200,000	10,692	-	-
2049	-	-	-	-	203,000	7,193	-	-
2050	-	-	-	-	208,000	3,640	-	-
	<u>\$ 2,720,000</u>	<u>\$ 337,755</u>	<u>\$ 3,261,060</u>	<u>\$ 757,818</u>	<u>\$ 4,232,000</u>	<u>\$ 1,029,630</u>	<u>\$ 672,875</u>	<u>\$ -</u>

Interest Rate: 1.50%

Interest Rate: 2%

Interest Rate: 1.75%

Interest Rate: 0%

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 8 LONG-TERM DEBT (Continued)

Leases Payable

At the end of the current year, the City has 13 lease agreements for vehicles and equipment. The City has recorded these as intangible right-to-use leases or financed purchases in the governmental activities, and the enterprise funds. The intangible right-to-use lease assets will be amortized over the lease term remaining. The financed purchase assets will be depreciated over the useful lives of the assets. There are no residual value guarantees in the lease provisions. A summary of the principal and interest amounts for the remaining leases is as follows:

	2026		2027		2028		2029		2030		TOTAL	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Governmental Activities												
2023 Dodge Durango (3)	\$ 23,338	\$ 5,727	\$ 24,654	\$ 4,411	\$ 26,045	\$ 3,021	\$ 27,514	\$ 1,552	\$ -	\$ -	\$ 101,551	\$ 14,711
2021 Dodge Durango (3)	28,738	1,026	-	-	-	-	-	-	-	-	28,738	1,026
Police equipment	27,425	903	-	-	-	-	-	-	-	-	27,425	903
2020 Ford F-150	414	1	-	-	-	-	-	-	-	-	414	1
2024 Dodge Durango (3)	23,208	6,325	24,104	5,430	25,360	4,174	26,681	2,853	28,071	1,463	127,424	20,245
John Deere Backhoe	4,369	3,369	4,765	2,973	28,084	2,542	-	-	-	-	37,218	8,884
Total governmental activities	107,492	17,351	53,523	12,814	79,489	9,737	54,195	4,405	28,071	1,463	322,770	45,770
Business-type Activities												
John Deere Backhoe	8,738	6,737	9,529	5,946	56,169	5,084	-	-	-	-	74,436	17,767
Total business-type activities	8,738	6,737	9,529	5,946	56,169	5,084	-	-	-	-	74,436	17,767
Total Government-wide	\$ 116,230	\$ 24,088	\$ 63,052	\$ 18,760	\$ 135,658	\$ 14,821	\$ 54,195	\$ 4,405	\$ 28,071	\$ 1,463	\$ 397,206	\$ 63,537

NOTE 9 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, public employee retirement system.
- Public Safety Retirement System (Public Safety System) is a cost-sharing, multiple-employer public employee retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple-employer cost sharing public employee retirement system;
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighter System) is a multiple-employer, cost sharing, public employee retirement system.

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the 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.

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (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 percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending upon employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years to June 30, 2020 2.0% per year July 1, 2020 to present	Up to 2.5%

* Actuarial reductions are applied.

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except 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.

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the 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:

	Employee	Employer	Employer 401(k)
Contributory System			
111 Local Governmental Div - Tier 2	0.70%	15.19%	0.00%
Noncontributory System			
15 Local Governmental Div - Tier 1	N/A	16.97%	N/A
Public Safety Retirement System			
Contributory			
122 Tier 2 DB Hybrid Public Safety	4.73%	26.49%	N/A
Noncontributory			
75 Other Div A with 4% COLA	N/A	35.71%	N/A
Tier 2 DC Only			
211 Local Government	N/A	5.19%	10.00%
222 Public Safety	N/A	12.49%	14.00%

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

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 9 PENSION PLAN (Continued)

Contribution Summary

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	\$ 133,185	\$ -
Public Safety System	190,079	-
Tier 2 Public Employees System	305,362	14,065
Tier 2 Public Safety and Firefighter	242,680	43,333
Tier 2 DC Only System	14,491	-
Tier 2 DC Public Safety and Firefighter	8,563	-
Total Contributions	\$ 894,360	\$ 57,398

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

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

At June 30, 2025, we reported a net pension asset of \$0 and a net pension liability of \$1,361,672.

System	(Measurement Date): December 31, 2024				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share 12/31/2023	Change (Decrease)
Noncontributory System	\$ -	\$ 405,604	0.1279058%	0.1348445%	-0.0069387%
Public Safety System	-	674,342	0.4358179%	0.3767315%	0.0590864%
Tier 2 Public Employees System	-	194,638	0.0652625%	0.0641633%	0.0010992%
Tier 2 Public Safety and Firefighter	-	87,088	0.1925489%	0.2011210%	-0.0085721%
Total net pension asset / liability	\$ -	\$ 1,361,672			

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 recognized a pension expense of \$ 1,168,792.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 449,808	\$ 5,917
Changes in assumptions	147,398	1,388
Net difference between projected and actual earnings on pension plan investments	256,968	-
Changes in proportion and differences between contributions and proportionate share of contributions	60,379	7,894
Contributions subsequent to the measurement date	447,564	-
Total	\$ 1,362,117	\$ 15,199

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 9 PENSION PLAN (Continued)

\$447,564 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year Ended December 31,	Net Deferred Outflows (inflows) of Resources
2025	\$ 359,446
2026	439,495
2027	(76,269)
2028	8,803
2029	62,446
Thereafter	105,433

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

For the year ended June 30, 2025, we recognized pension expense of \$375,207.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 241,682	\$ -
Changes in assumptions	33,551	-
Net difference between projected and actual earnings on pension plan investments	122,174	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,061	770
Contributions subsequent to the measurement date	68,333	-
Total	<u>\$ 466,801</u>	<u>\$ 770</u>

\$68,333 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year Ended December 31,	Net Deferred Outflows (inflows) of Resources
2025	\$ 232,489
2026	223,836
2027	(49,574)
2028	(9,053)
2029	-
Thereafter	-

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 9 PENSION PLAN (Continued)

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

For the year ended June 30, 2025, we recognized pension expense of \$455,170.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 71,258	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	116,709	-
Changes in proportion and differences between contributions and proportionate share of contributions	16,338	-
Contributions subsequent to the measurement date	96,176	-
Total	\$ 300,481	\$ -

\$96,176 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year Ended December 31,	Net Deferred Outflows (inflows) of Resources
2025	\$ 94,643
2026	165,660
2027	(47,405)
2028	(8,593)
2029	-
Thereafter	-

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 9 PENSION PLAN (Continued)

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

For the year ended June 30, 2025, we recognized pension expense of \$212,454.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 84,144	\$ 1,341
Changes in assumptions	65,007	20
Net difference between projected and actual earnings on pension plan investments	12,440	-
Changes in proportion and differences between contributions and proportionate share of contributions	30,530	2,169
Contributions subsequent to the measurement date	158,043	-
Total	\$ 350,164	\$ 3,530

\$158,043 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year Ended December 31,	Net Deferred Outflows (inflows) of Resources
2025	\$ 22,312
2026	34,559
2027	14,924
2028	18,524
2029	43,666
Thereafter	54,606

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 9 PENSION PLAN (Continued)

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

For the year ended June 30, 2025, we recognized pension expense of \$125,961.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 52,724	\$ 4,576
Changes in assumptions	48,840	1,368
Net difference between projected and actual earnings on pension plan investments	5,645	-
Changes in proportion and differences between contributions and proportionate share of contributions	12,450	4,955
Contributions subsequent to the measurement date	125,012	-
Total	\$ 244,671	\$ 10,899

\$125,012 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year Ended December 31,	Net Deferred Outflows (inflows) of Resources
2025	\$ 10,002
2026	15,440
2027	5,786
2028	7,925
2029	18,780
Thereafter	50,827

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.

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 9 PENSION PLAN (Continued)

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

Asset Class	Target Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	35%	7.01%	2.45%
Debt securities	20%	2.54%	0.51%
Real assets	18%	5.45%	0.98%
Private equity	12%	10.05%	1.21%
Absolute return	15%	4.36%	0.65%
Cash and cash equivalents	0%	0.49%	0.00%
Totals	100%		5.80%
	Inflation		2.50%
	Expected arithmetic nominal return		8.30%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, and 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 (asset) would be if it were calculated using a discount rate that is 1.00 percentage point lower (5.85 percent) or 1.00 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	\$ 1,715,372	\$ 405,604	\$ (692,867)
Public Safety System	2,071,675	674,342	(465,860)
Tier 2 Public Employees System	581,337	194,638	(106,175)
Tier 2 Public Safety and Firefighter	296,961	87,088	(80,709)
Total	\$ 4,665,345	\$ 1,361,672	\$ (1,345,611)

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 9 PENSION PLAN (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 Plans

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

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

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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
401(k) Plan			
Employer Contributions	\$ 138,298	\$ 155,294	\$ 135,396
Employee Contributions	189,137	171,743	156,340
457 Plan			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	13,782	7,081	6,703
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 33,865	\$ 25,341	\$ 15,925

NOTE 10 REDEVELOPMENT AGENCY

In accordance with Utah Code Section 17C-1-605(2), the City’s Redevelopment Agency is required to disclose the following information for fiscal year 2025:

A. The tax increment collected by the Agency for each project area is as follows:

<u>Project Area</u>	<u>2025</u>
Lakeview Business Park	<u>\$ 738,434</u>
TOTAL INCREMENT RECEIVED	<u><u>\$ 738,434</u></u>

B. There were no amounts of tax increment paid to any taxing agency during the year.

C. The RDA had \$6,000,000 of notes payable outstanding at June 30, 2025. See Note 8 for additional information.

D. The agency expended the following during the year:

	<u>2025</u>
Lakeview Business Park:	
Installation of public utilities	<u>\$ 558,051</u>
TOTAL EXPENDITURES	<u><u>\$ 558,051</u></u>

GRANTSVILLE CITY CORPORATION
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

NOTE 11 COMMITMENTS AND CONTINGENCIES

The City believes that possible contingencies (contingencies incurred but not reported) where the loss cannot be reasonably estimated are immaterial to the financial statements of the City.

The City has the following commitments at June 30, 2025:

<u>Project</u>	<u>Approved</u>	<u>Paid to Date</u>	<u>Remaining</u>
3 MGD Waste Water Treatment Plant	\$ 2,108,320	\$ 1,114,089	\$ 994,231
Scenic slopes park	310,300	127,244	183,056
Matthews lane project	4,323,900	57,358	4,266,542
Veteran's park	310,300	25,124	285,176
2 million gallon water tank	<u>3,249,848</u>	<u>1,100,249</u>	<u>2,149,599</u>
Total commitments	<u>\$ 10,302,668</u>	<u>\$ 2,424,064</u>	<u>\$ 7,878,604</u>

NOTE 12 RISK MANAGEMENT

The City, as a provider of municipal services, is exposed to a number of risks. Among these are: police enforcement liability, auto liability, road maintenance exposure, public official's errors and omissions, and property losses. The City has determined that the inherent risk of providing services necessitates implementing risk management policies and purchasing commercial liability insurance. This combination has resulted in fewer claims against the City and sufficient protection when claims occur. The City has not incurred any claims in excess of its coverage for any of the past three years.

NOTE 14 TAX ABATEMENT AGREEMENTS

In October 2016 Tooele County (the County) entered into an agreement with WonderGel, LLC dba Purple (the Company), located in Grantsville City, to return to the Company a certain portion of property taxes if certain employment and other conditions were met. The City's portion of the property tax amounts that would normally be abated for the fiscal year ended June 30, 2025 were remitted to the City as the Company no longer met the qualifications for the abatement.

The City is not aware of any other tax abatement agreements affecting the City's property or other tax revenues.

NOTE 15 IMPLEMENTATION OF GASB STATEMENT NO. 101, *COMPENSATED ABSENCES*

During the year, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences. This Statement creates a unified model for reporting, as well as amends certain previously required disclosures. As a result of implementing this standard, the City recalculated its compensated absences using estimates of vacation and sick leave usage for amounts, including the impact on the June 30, 2024 balances and has restated net position as follows:

	Governmental	Business-type	Enterprise Funds		
	Activities	Activites	Water Fund	Sewer Fund	Garbage Fund
Net position - June 30, 2024	\$ 35,961,332	\$ 82,186,151	\$ 59,237,342	\$ 22,264,601	\$ 684,208
Adjustments:					
Compensated absences - GASB 101	<u>(105,300)</u>	<u>(45,900)</u>	<u>(22,200)</u>	<u>(21,400)</u>	<u>(2,300)</u>
Restated net position - June 30, 2024	<u>\$ 35,856,032</u>	<u>\$ 82,140,251</u>	<u>\$ 59,215,142</u>	<u>\$ 22,243,201</u>	<u>\$ 681,908</u>

REQUIRED SUPPLEMENTARY INFORMATION

GRANTSVILLE CITY CORPORATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Utah Retirement Systems
June 30, 2025
Measurement Date of December 31
Last 10 Fiscal Years

<u>For the year ended December 31,</u>	<u>Proportion of the net pension liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered payroll</u>	<u>Proportionate share of the net pension liability (asset) as a % of its covered- employee payroll</u>	<u>Plan fiduciary net position as a % of the total pension liability (asset)</u>
Noncontributory Retirement System					
2024	0.1279058%	\$ 405,604	\$ 746,053	54.37%	96.0%
2023	0.1348445%	312,781	819,216	38.18%	96.9%
2022	0.1279229%	219,100	777,402	28.18%	97.5%
2021	0.1206420%	(690,930)	788,138	-87.67%	108.7%
2020	0.1029087%	52,786	704,368	7.49%	99.2%
2019	0.0938180%	353,588	660,550	53.53%	93.7%
2018	0.1066429%	785,289	820,883	95.66%	87.0%
2017	0.1081083%	473,655	894,236	52.97%	91.9%
2016	0.1070105%	687,138	917,067	74.93%	87.3%
2015	0.1071196%	606,135	889,139	68.17%	87.8%
Public Safety System					
2024	0.4358179%	\$ 674,342	\$ 734,348	91.83%	93.3%
2023	0.3767315%	538,788	660,811	81.53%	93.4%
2022	0.3681007%	475,982	552,176	86.20%	93.6%
2021	0.3204763%	(260,272)	490,042	-53.11%	104.2%
2020	0.3233125%	268,427	484,017	55.46%	95.5%
2019	0.3433458%	551,282	382,564	144.10%	90.9%
2018	0.3298798%	848,644	376,205	225.58%	84.7%
2017	0.2836970%	445,024	320,046	139.05%	90.2%
2016	0.2807970%	569,815	310,650	183.43%	86.5%
2015	0.2930256%	524,882	346,266	151.58%	87.1%
Tier 2 Public Employees Retirement System					
2024	0.6526250%	\$ 194,638	\$ 1,933,631	10.07%	87.4%
2023	0.0641633%	124,886	1,658,838	7.53%	89.6%
2022	0.0624481%	67,999	1,362,914	4.99%	92.3%
2021	0.0539811%	(22,847)	1,000,019	-2.28%	103.8%
2020	0.0446148%	6,417	713,353	0.90%	98.3%
2019	0.0444805%	10,004	617,685	1.62%	96.5%
2018	0.0426390%	18,261	497,427	3.67%	90.8%
2017	0.0309949%	2,733	302,631	0.90%	97.4%
2016	0.0188019%	2,097	154,191	1.36%	95.1%
2015	0.0209987%	(46)	135,666	-0.03%	100.2%
Tier 2 Public Safety and Firefighters Retirement					
2024	0.1925489%	\$ 87,088	\$ 878,931	9.91%	90.1%
2023	0.2011210%	75,761	762,056	9.94%	89.1%
2022	0.2091059%	17,445	643,373	2.71%	96.4%
2021	0.1981433%	(10,015)	473,836	-2.11%	102.8%
2020	0.1574773%	14,125	312,500	4.52%	93.1%
2019	0.2411333%	22,682	397,457	5.71%	89.6%
2018	0.2021772%	5,066	269,254	1.88%	95.6%
2017	0.2086810%	(2,415)	220,287	-1.10%	103.0%
2016	0.2396518%	(2,080)	198,006	-1.05%	103.6%
2015	0.2188118%	(3,197)	130,209	-2.46%	110.7%

GRANTSVILLE CITY CORPORATION
SCHEDULE OF CONTRIBUTIONS**
Utah Retirement Systems

As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered Payroll	Contributions as a % of covered- payroll
Noncontributory System					
2025	\$ 133,185	\$ 133,185	\$ -	\$ 784,829	16.97%
2024	138,444	138,444	-	775,829	17.84%
2023	137,735	137,735	-	792,584	17.38%
2022	145,425	145,425	-	807,544	18.01%
2021	134,133	134,133	-	747,001	17.96%
2020	126,098	126,098	-	701,227	17.98%
2019	127,312	127,312	-	707,793	17.99%
2018	155,754	155,754	-	860,280	18.11%
2017	165,145	165,145	-	911,110	18.13%
2016	165,602	165,602	-	912,608	18.15%
Public Safety System					
2025	\$ 190,079	\$ 190,079	\$ -	\$ 759,780	25.02%
2024	163,847	163,847	-	698,448	23.46%
2023	148,737	148,737	-	603,100	24.66%
2022	118,616	118,616	-	509,732	23.27%
2021	120,275	120,275	-	488,878	24.60%
2020	148,824	148,824	-	468,974	31.73%
2019	125,890	125,890	-	354,688	35.49%
2018	129,875	129,875	-	363,693	35.71%
2017	99,885	99,885	-	290,973	34.33%
2016	114,520	114,520	-	320,694	35.71%
Tier 2 Public Employees System*					
2025	\$ 305,362	\$ 305,362	\$ -	\$ 2,013,329	15.17%
2024	294,984	294,984	-	1,844,038	16.00%
2023	232,357	232,357	-	1,470,673	15.80%
2022	200,776	200,776	-	1,257,204	15.97%
2021	124,098	124,098	-	785,466	15.80%
2020	111,322	111,322	-	713,121	15.61%
2019	81,370	81,370	-	528,305	15.40%
2018	62,620	62,620	-	414,429	15.11%
2017	29,106	29,106	-	195,214	14.91%
2016	21,379	21,379	-	143,386	14.91%
Tier 2 Public Safety and Firefighter System*					
2025	\$ 242,680	\$ 242,680	\$ -	\$ 911,431	26.63%
2024	223,044	223,044	-	825,880	27.01%
2023	194,259	194,259	-	736,569	26.37%
2022	149,051	149,051	-	553,274	26.94%
2021	98,490	98,490	-	364,911	26.99%
2020	86,448	86,448	-	354,685	24.37%
2019	87,435	87,435	-	360,780	24.23%
2018	51,193	51,193	-	216,606	23.63%
2017	49,769	49,769	-	210,350	23.66%
2016	38,868	38,868	-	164,864	23.58%

Schedule continues on next page.

GRANTSVILLE CITY CORPORATION
SCHEDULE OF CONTRIBUTIONS (Continued)**
Utah Retirement Systems

As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered Payroll	Contributions as a % of covered- payroll
Tier 2 Public Employees DC Only System*					
2025	\$ 14,491	\$ 14,491	\$ -	\$ 279,722	5.18%
2024	33,110	33,110	-	534,899	6.19%
2023	31,649	31,649	-	511,973	6.18%
2022	20,895	20,895	-	313,570	6.66%
2021	16,539	16,539	-	254,670	6.49%
2020	12,210	12,210	-	182,517	6.69%
2019	8,343	8,343	-	124,710	6.69%
2018	2,188	2,188	-	32,703	6.69%
2017	5,262	5,262	-	78,661	6.69%
2016	6,014	6,014	-	92,255	6.52%
Tier 2 Public Safety and Firefighter DC Only System *					
2025	\$ 8,563	\$ 8,563	\$ -	\$ 68,293	12.54%
2024	820	820	-	7,693	10.66%
2023	1,117	1,117	-	8,597	12.99%
2022	8,042	8,042	-	61,911	12.99%
2021	7,145	7,145	-	55,051	12.98%
2020	7,118	7,118	-	54,811	12.99%
2019	6,456	6,456	-	49,699	12.99%
2018	9,458	9,458	-	72,813	12.99%
2017	10,736	10,736	-	82,653	12.99%
2016	10,970	10,970	-	84,449	12.99%

* 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.

GRANTSVILLE CITY CORPORATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024

Changes in Assumption

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

SUPPLEMENTARY INFORMATION

GRANTSVILLE CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
– BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 250,000	\$ 250,000	\$ -	\$ (250,000)
Interest	-	-	75,322	75,322
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>75,322</u>	<u>(174,678)</u>
Expenditures:				
General government	-	-	499,000	(499,000)
Highways and public works	2,825,000	2,825,000	154,769	2,670,231
Parks and recreation	2,500,000	2,500,000	218,444	2,281,556
Total Expenditures	<u>5,325,000</u>	<u>5,325,000</u>	<u>872,213</u>	<u>4,452,787</u>
Other Financing Sources (Uses):				
Transfer in/out	-	-	137,720	137,720
Proceeds from bond issuance	5,000,000	5,000,000	5,000,000	-
Total Other Financing Sources	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,137,720</u>	<u>137,720</u>
Net Change in Fund Balance	<u>\$ (75,000)</u>	<u>\$ (75,000)</u>	<u>4,340,829</u>	<u>\$ 4,415,829</u>
Fund balance - beginning of period			<u>1,641,933</u>	
Fund balance - end of period			<u>\$ 5,982,762</u>	



GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

RANDEL A. HEATON, CPA
LYNN A. GILBERT, CPA
JAMES A. GILBERT, CPA
BEN H. PROBST, CPA
RONALD J. STEWART, CPA

SIDNEY S. GILBERT, CPA
JAMES E. STEWART, CPA

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

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

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

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gilbert & Stewart

GILBERT & STEWART, CPA PC
Provo, Utah
December 30, 2025



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

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

REPORT ON COMPLIANCE

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

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

- Budgetary Compliance
- Fund Balance
- Justice Court
- Restricted Taxes and Related Revenues
- Fraud Risk Assessment
- Government Fees
- Cash Management
- Enterprise Fund Transfers

Opinion on Compliance

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

Basis for Opinion

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

We are required to be independent of Grantsville 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 Grantsville City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in our letter to management dated December 30, 2025 as item 25-1. Our opinion on compliance is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on Grantsville City's response to the noncompliance findings identified in our audit described in our letter to management dated December 30, 2025 as items 25-1. Grantsville City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

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

Purpose of this Report

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

Gilbert & Stewart

GILBERT & STEWART
*Certified Public
Accountants*
Provo, UT
December 30, 2025

GRANTSVILLE CITY CORPORATION

**CORRESPONDENCE WITH THOSE
CHARGED WITH GOVERNANCE**

JUNE 30, 2025



GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

RANDELA HEATON, CPA
LYNN A. GILBERT, CPA
JAMES A. GILBERT, CPA
BEN H. PROBST, CPA
RONALD J. STEWART, CPA

SIDNEY S. GILBERT, CPA
JAMES E. STEWART, CPA

December 30, 2025

Honorable Mayor and Members of the City Council
Grantsville City Corporation
Grantsville, UT

We have audited the financial statements of the Grantsville City Corporation (the City) for the year ended June 30, 2025 and have issued our report thereon dated December 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 1, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. We noted no transactions entered by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the entity's financial statements was:

Management's estimate of the useful lives of depreciable assets, and the applicable depreciation amounts are based on estimated usefulness of the assets in question and the related wear and tear on those assets. We evaluated the key factors and assumptions used to develop these amounts in determining that they were reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, like obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Utah State Legal Compliance Findings – Current Year

25-1 Budgetary Compliance

Finding: Utah State law prohibits an entity from incurring expenditures in excess of those budgeted. We noted the City had expenditures in excess of appropriations as follows:

RDA Fund:	\$532,051
-----------	-----------

Recommendation: We recommend that the City review budgets near year-end and adopt amended budgets if necessary.

City's Response: Will take necessary steps to comply with State law.

Utah State Legal Compliance Findings – Prior Year

No findings in the prior year.

This information is intended solely for the use of the City Management and is not intended to be and should not be used by anyone other than these specified parties. If you have any questions concerning the above items, we will be happy to discuss them with you.

Sincerely,

Gilbert & Stewart

GILBERT & STEWART
Certified Public Accountants

Agenda Item # 5

Public Hearing Item: Presentation and discussion of the sewer rate study and proposed rate increase in connection with the City's wastewater treatment system and associated sewer revenue bonds, followed by a public hearing to receive public comment. **No action will be taken during this meeting.*



THE STANDARD IN ENGINEERING

PROJECT:

2026 SEWER RATE

STUDY **DRAFT**

PREPARED FOR:

Grantsville City

429 East Main Street

Grantsville, Utah 84029

DATE:

February 2026

PREPARED BY:

Matthew Sanford, EIT

REVIEWED BY:

Robert Rousselle, PE

ENSIGN ENGINEERING & LAND SURVEYING

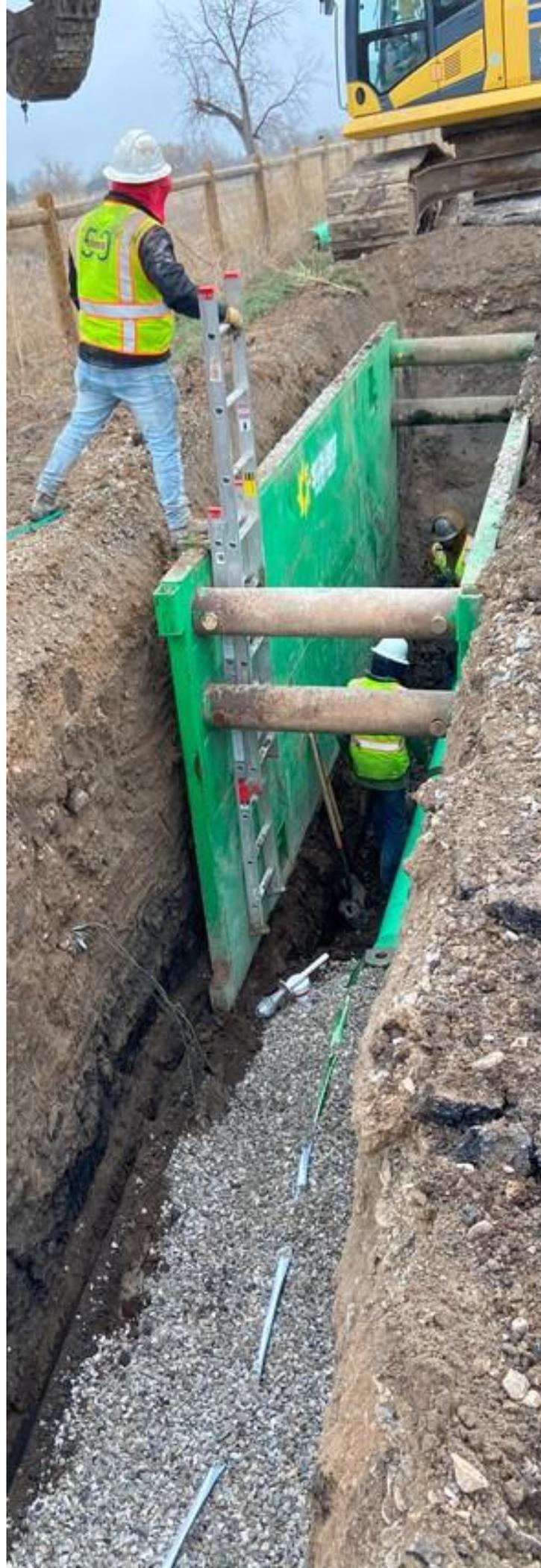
45 West 10000 South, Suite 500

Sandy, Utah 84070

801.255.0529 Main

801.255.4449 Fax

www.ensigneng.com



ACKNOWLEDGMENTS

A special thanks to all who contributed to the development of this study. Its completion was made possible by the effort, support, and collaboration from each person involved. The participation of the following individuals is greatly appreciated.

GRANTSVILLE CITY COUNCIL

Mayor Heidi Hammond

Rhett Butler

Jake Thomas

Jeff Williams

Derek Dalton

GRANTSVILLE CITY STAFF

Micheal Resare (City Manager)

Bill Cobabe (Community Development Director)

Aspen Clegg (Finance Director)

Christy Montierth (Public Works Director)

Markus Seat (Deputy Public Works Director)

Shelby Moore (Planning and Zoning Administrator)

Alicia Fairbourne (City Recorder)

Tae-Eun Ko (GIS Analyst / City Planner)

Barry Bunderson (City Engineer)

TABLE OF CONTENTS

Glossary of Technical Terms.....	i
Abbreviations and Units	vi
SECTION 1: Introduction	1-1
SECTION 2: Demographics	2-1
2.1 Planning Units.....	2-1
2.2 Existing Conditions	2-1
2.3 Growth Projections.....	2-1
2.4 Level of Service	2-3
2.5 Future Sewage Generation	2-3
SECTION 3: Financial Analysis.....	3-1
3.1 Operating Expenses	3-1
3.1.1 Historic	3-1
3.1.2 Projected	3-1
3.2 Capital Improvement Projects	3-2
3.3 Debt Service	3-3
3.3.1 Outstanding	3-3
3.3.2 Projected	3-3
3.4 Summary of Expenses.....	3-4
3.5 Revenues	3-5
SECTION 4: Rate Structure Analysis	4-1
4.1 Existing Rates.....	4-1
4.2 Proposed Rates	4-3

TABLES

Table 2-1: Existing Conditions (2023)	2-1
Table 2-2: Growth Projections.....	2-2
Table 2-3: Wastewater Level of Service.....	2-3
Table 2-4: Projected Sewage Generation.....	2-3
Table 3-1: Historic Operating Expenses.....	3-1
Table 3-2: Projected Operating Expenses.....	3-2
Table 3-3: Proposed Capital Improvement Projects	3-3
Table 3-4: Outstanding Debt Service	3-3
Table 3-5: Projected Debt Service.....	3-4
Table 3-6: Summary of Projected Expenses	3-4
Table 3-7: Projected Revenues.....	3-5
Table 4-1: Existing Rates (2024).....	4-1
Table 4-2: Existing Rate Analysis.....	4-2
Table 4-3: Proposed Rates	4-3
Table 4-4: Proposed Rate Analysis.....	4-4

APPENDICES

APPENDIX A: References

APPENDIX B: Pages From Grantsville City Corporation’s Basic Financial Statements – Fiscal Year 2023

GLOSSARY OF TECHNICAL TERMS

Average Daily or Day Flow

The average yearly flow volume expressed as a flow rate. Term typically used in wastewater terminology.

Bonds

Fixed-income instrument representing a loan made by an investor to a borrower (typically corporate or governmental). Bonds are used by companies, municipalities, states, and sovereign governments to finance projects and operations.

Capital Contributions

A capital contribution is a contribution to a municipality, State, or County such as a street, water line, or sewer line which is dedicated for public use from a developer, landowner, or other public entity.

Capital Facilities Plan

A plan to assist a jurisdiction to use its funding wisely and efficiently to maximize funding opportunities. A capital facilities plan will assist in determining needs, prioritizing projects, coordinating related projects, and applying for load, bonds, and grant opportunities.

Cash on Hand

End of year cash divided by operating expenses by number of days in a year (365 days).

Collection System

Wastewater system consisting of manholes, gravity pipes, force mains, interceptors, trunk lines, lift stations, and appurtenances.

Cost Estimate

Typically an Engineer's Estimate of Probably Costs for a project improvement based on recently bid projects and current construction climate. A cost estimate may include design fees, permitting, administrative costs, and contingency.

Debt Service

Money required to cover the payment of interest and principal on a loan or other debt for a particular time period.

Debt Service Coverage Ratio

Debt service coverage ratio is measured by comparing the operating cash (revenues less operating expenses) to annual debt service obligations before capital costs.

Demographics

Characteristics of human population and population segments.

Dwelling Unit(s)

Dwelling Unit (DU) is a structure or the part of a structure used as a home, residence, or sleeping place by one person who maintains a household or by two or more persons who maintain a common household.

Equivalent Residential Connection(s), Dwelling Unit(s) or Residential Unit(s)

An ERC, EDU, or ERU is a unit of measurement used to compare water demand from non-residential connections to residential connections. Water use criteria from source (wells and springs) and metered data are established based on average demand or consumption by residential connections. This is compared with non-residential uses.

Expense

A financial burden or cost (example operating expense such as fuel or equipment purchase).

Grant

A grant is a quantity of money, i.e. financial assistance, given by a government, organization, or person for a specific purpose which is typically not paid back, but may have requirements associated with the grant.

Impact Fee

Payment of money imposed upon new development activity as a condition of development approval to mitigate the impact of the new development on public infrastructure.

Impact Fee Analysis

The written analysis of each impact fee required by Utah Code Section 11-36a-303.

Impact Fee Facilities Plan

Plan required by Utah Code Section 11-36a-301.

Inflation

Rate at which prices for goods and services increases.

Interceptor Lines

Major sanitary sewer line that receives flow from trunk sanitary sewer lines.

Interest

Amount paid to borrow money or the cost charged to lend money. Interest is most often reflected as an annual percentage of the amount of a loan.

Interest Expense

Interest paid on loans or bonds.

Investment Earnings

Refers to earnings generated from various types of investments.

Level of Service

Defined performance standard or unit of demand for each capital component of a public facility within a service area.

Master Plan

Dynamic long-term planning document providing a conceptual layout to guide future growth and development.

Multi-Unit

Typically a dwelling unit with multiple units such as an apartment building or a duplex.

Non-Residential

A non-residential use such as a warehouse, commercial building, or business.

Other Residential

Encompasses other residential not defined specifically in the plan or study.

Peak Day Flow

Amount of wastewater utilized by a wastewater supplier on the day of highest consumption, generally expressed in gallons per day (gpd) or millions of gallons per day (MGD).

Peaking Factors

Ratio of a peak day or instantaneous flow/demand to the average day or daily flow/demand.

Peak Inflow

Highest inflow of wastewater into a wastewater treatment facility.

Peak Instantaneous Flow

Calculated or estimated highest flowrate which can be expected through any wastewater collection system at any instant in time, generally expressed in gpm or cfs.

Planning Period

The period of time, typically in years, used in a plan. A planning period of 10-years is typically used in Impact Fee Facilities Plans. Master or General Plans may use planning periods from 20 to 50 years.

Professional Expenses

Expenses of a professional consultant. An example is engineering design and construction administrative fees from an engineering company.

Proportionate Share

Cost of public facility improvements which are roughly proportionate and reasonably related to the service demands and needs of any development activity.

Rate

A charge, payment, or price fixed according to a ratio, scale, or standard such as a water rate or sewer rate.

Revenue

The yield of sources of income, such as taxes or user rates, that a political unit, such as a municipality or State, collects and receives into the treasury or a fund for public use.

Service Area

Geographic area designated by an entity which a facility, or a defined set of facilities, provides service within the area.

Sewage Generation

Wastewater generated by various uses such as residential, commercial, and industrial.

Single Family

Residence used by a single private family which serves no other purpose.

Trunk Line

Sewer line which receives wastewater flow from the collector sanitary sewer lines and conveys this wastewater either to an interceptor line or a wastewater treatment or reclamation facility.

ABBREVIATIONS AND UNITS

CFP	Capital Facilities Plan
DSCR	Debt Service Coverage Ratio
DU	Dwelling Unit(s)
EDU	Equivalent Dwelling Unit(s)
Ensign	Ensign Engineering and Land Surveying
ERC	Equivalent Residential Connection(s)
gal	gallons [volume unit of measurement]
gpd	gallons per day [flow rate unit of measurement]
gpm	gallons per minute [flow rate unit of measurement]
IFFP	Impact Fee Facilities Plan
in.	inch [length unit of measurement]
LOS	Level of Service
MG	million gallons [volume unit of measurement]
MGD	millions of gallons per day [flow rate unit of measurement]
min	minute [time unit of measurement]
MP	Master Plan
PF	Peaking Factor
SF	Safety Factor
SR	State Route
UAC	Utah Administrative Code
WW	Wastewater
WWTF	Wastewater Treatment Facility
WWRF	Wastewater Reclamation Facility
yr	year [time unit of measurement]

SECTION 1: INTRODUCTION

This Sewer Rate Study was completed for Grantsville City in order to ensure the City has sufficient revenue to cover the annual expenses associated with the City's wastewater system. A study period of 10 years (2026-2035) was utilized to project growth, expenses, and revenues to determine the rate structure required to meet the following objectives, which were set to allow the City to obtain a strong bond rating:

- Ensure sufficient revenues to cover all operating costs and maintain a debt service coverage ratio of at least 1.25;
- Maintain at least 180 days cash on hand;
- Balance minimizing rates with minimizing new debt obligations when debt obligations are considered; and
- Proposed rates should be easy to implement and administer.

SECTION 2: DEMOGRAPHICS

An analysis of Grantsville’s demographics and sewer system was completed in the Grantsville Capital Facilities Plan (CFP), Impact Fee Facilities Plan (IFFP), and Impact Fee Analysis (IFA) 2026 Amendments which will be amended in 2026. The analysis will be utilized in this study to determine existing and future sewage generation of the wastewater system.

2.1 PLANNING UNITS

The Equivalent Residential Connection (ERC) is the recognized standard planning unit when planning for future utility infrastructure needs. One ERC represents a single family dwelling with known demand characteristics or requirements. Other types of uses are typically factored based upon comparison of their demand versus the residential single family unit.

2.2 EXISTING CONDITIONS

The existing number of customers, sewer units, and ERCs at the end of June 2025 or end of fiscal year (FY) 2025 were determined in the Grantsville CFP, IFFP, and IFA and calculated for sewer customers and units only for this study as shown in the following table.

Table 2-1: Existing Conditions (End of June 2025)

Service Connection Type	Number of Customers	Sewer Units	ERC / Unit	ERCs
Single Family	4,251	4,253	1.00	4,253
Multi-Unit	43	298	0.52	155
Trailer	8	206	1.12	231
Commercial	91	123	7.34	903
Church	9	9	4.57	41
School	6	6	5.09	31
Total	4,408	4,895		5,614

2.3 GROWTH PROJECTIONS

Growth projections over the study period as determined in the Grantsville CFP, IFFP, and IFA and calculated for sewer units in this study are given in Table 2-2 below.

Table 2-2: Growth Projections

Year:	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Projected Population:	16,056	16,592	17,148	17,803	18,486	19,193	19,934	20,705	21,501	22,332	23,192	
Residential Growth Rate:	2.93%	3.5%	3.5%	4.0%								
Commercial Growth Rate:	0.73%	0.88%	0.88%	1.00%								
Service Connection Type	ERC / Unit	Sewer Units										
Single Family	1.00	4,253	4,402	4,556	4,738	4,928	5,125	5,330	5,543	5,765	5,996	6,236
Multi-Unit	0.52	298	308	319	332	345	359	373	388	404	420	437
Trailer ¹	1.12	206	206	206	206	206	206	206	206	206	206	206
Commercial	7.34	123	124	125	126	127	128	129	130	131	132	133
Church ²	4.57	9	9	9	10	10	11	11	12	12	13	13
School ³	5.09	6	6	6	7	7	8	8	9	10	10	11
Total		4,895	5,055	5,221	5,419	5,623	5,837	6,057	6,288	6,528	6,777	7,036
<i>Increase from 2025</i>		-	160	326	524	728	942	1,162	1,393	1,633	1,882	2,141

¹ Trailer units are not expected to increase.

² Church growth rate is 1 church per 1,460 population.

³ School growth rate is 1 school per 1,340 population.

⁴ City Rate growth rate is based on anticipated City projects.

2.4 LEVEL OF SERVICE

The required levels of service for wastewater facilities were established in the Grantsville CFP, IFFP, and IFA as follows:

Table 2-3: Wastewater Level of Service

Component	Parameter	Level of Service	
Collection System	Average Day Flow	150 gpd/ERC	
	Peaking Factors	<i>Miles From WWTF</i>	<i>Factor</i>
		<1	1.85
		>1 and <1.6	2.25
	>1.6	4	
Lift Stations	Peak Inflow	0.35 gpm/ERC	
Wastewater Treatment Facility	Average Day Flow	150 gpd/ERC	
	Peak Day Flow	175 gpd/ERC	
	Peak Instantaneous Flow	0.4 gpm/ERC	

This level of service was calculated to gpd per sewer unit for this study and equates to **200 gpd/sewer unit** for the average day flow.

2.5 FUTURE SEWAGE GENERATION

The growth projections from Section 2.3 were multiplied by the average day flow level of service requirements to arrive at the projected annual sewage generation for the City as a whole throughout the study period. The results are summarized in the table below.

Table 2-4: Projected Sewage Generation

Service Connection Type	Annual Wastewater Generation (Million Gallons per Year)										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Single Family	310	321	333	346	360	374	389	405	421	438	455
Multi-Unit	21.75	22.48	23.29	24.2	25.2	26.2	27.2	28.3	29.5	30.7	31.9
Trailer	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Commercial	9.0	9.1	9.1	9.2	9.3	9.3	9.4	9.5	9.6	9.6	10
Church	0.66	0.66	0.66	0.73	0.73	0.80	0.80	0.88	0.88	0.95	0.95
School	0.44	0.44	0.44	0.51	0.51	0.58	0.58	0.66	0.73	0.73	0.80
Total	357	369	381	396	410	426	442	459	477	495	514

SECTION 3: FINANCIAL ANALYSIS

An evaluation of the Grantsville City Corporation’s Actual Operating Expenses from FY 2016 to FY 2025 including 6 months (July 2025 through December 2025) or half of FY 2026 was provided. The FY 2025 Basic Financial Statements Together with Independent Auditor’s Report was conducted by Gilbert & Stewart for the fiscal year ending in 2025 (See Appendix B). This auditor’s report along with actual operating expenses was used for the financial analysis presented to estimate sewer revenues and expenses.

3.1 OPERATING EXPENSES

3.1.1 Historic

The City’s operating expenses for the wastewater system include salaries and wages, employee benefits, professional services, materials and supplies, depreciation, and utilities. From July 2025 through December 2025 the actual operating expenses for the wastewater system was \$1,277,397.36 with a projection of \$2,554,794.72. The historic, actual sewer operating expenses from fiscal year 2016 to present are shown in the table below along with the percent increase each year.

Table 3-1: Historic Operating Expenses

Fiscal Year Ended	Total Operating Expenses	Percent Increase
2016	\$1,149,372	-
2017	\$1,090,813	-5.09%
2018	\$1,264,873	16.0%
2019	\$1,383,289	9.36%
2020	\$1,307,252	-5.50%
2021	\$1,673,389	28.0%
2022	\$1,803,769	7.79%
2023	\$2,044,319	13.3%
2024	\$2,353,734	15.14%
2025	\$2,347,756	-0.25%
Average		8.75%
3-Year Average (2023-2025)		9.4%

3.1.2 Projected

It can be seen from Table 3-1 the average annual increase in the City’s sewer operating expenses since 2016 is 8.75%. The average increase over the last three years (2023-2025) is

9.4%, and higher rates are expected to continue in the future due to the increasing growth projected for the City as well as higher inflation rates of recent. Therefore, the sewer operating expenses are projected to increase at a rate of 9.5% annually throughout the study period, as shown in Table 3-2.

Table 3-2: Projected Operating Expenses

Fiscal Year	Projected Operating Expenses
2025	\$2,347,756.22
2026	\$2,570,793.06
2027	\$2,815,018.40
2028	\$3,480,445.15
2029	\$3,811,087.44
2030	\$4,173,140.75
2031	\$4,569,589.12
2032	\$5,003,700.08
2033	\$5,479,051.59
2034	\$5,999,561.49
2035	\$6,569,519.83

3.2 CAPITAL IMPROVEMENT PROJECTS

The Grantsville CFP/IFA determined the wastewater capital improvement projects required to meet the demands of anticipated growth over the next 10 years. These projects are shown in Table 3-3 with the estimated project costs which were inflated at a 3.5% rate to the projected construction year, as well as the portion of each project which will be funded by impact fees. Projects that are expected to be constructed by developers were excluded from this analysis, but if it is determined the City will pay for any portion of the project as the development agreements are finalized then this study should be reevaluated.

Table 3-3: Proposed Capital Improvement Projects

Project	Construction Year	Current Year (2025) Cost Estimate	Construction Year Cost Estimate	Proportionate Share	Impact Fee Eligible Cost
SR112 Interceptor	2026 ²	\$2,982,803.64	\$3,087,201.77	0% ²	\$0.00
West Bank Interceptor ⁴	2027 ²	\$7,900,768.50	\$8,463,500.74	0% ²	\$0.00
Southeast Sewer Line	2026 ²	\$1,563,498.80	\$1,618,221.26	0% ²	\$0.00
Vegas Street Collector	2035 ²	\$5,793,880.86	\$8,172,841.16	0.0%	\$0.00
Northwest Lift Station - Upsize Force Main	2028	\$194,363.06	\$215,493.80	100%	\$215,493.80
Proposed Wastewater Treatment Facility	2026	\$49,088,247.53 ³	\$49,088,247.53	12.8%	\$6,293,113.33
Public Works Improvements	2035	\$1,318,982.50 ¹	\$1,860,555.08	27.6%	\$512,953.03
Total		\$68,842,544.89	\$72,506,061.34		\$7,021,560.17

¹ The cost shown for the Public Works Improvements project is half of the total cost estimate because this project cost will be split evenly between the wastewater and drinking water utilities.

² The proportionate share is 0% because the project is expected be constructed by developers.

³ Proposed WWTF is 2026 Cost Estimate.

⁴ The West Bank Interceptor has capacity of 6,251.7 gpm based on the flattest slope, 0.07% for the 36-inch proposed line with a d/D=0.67. The existing West Street Collector and Cooley Street sewer lines connecting to this new line are estimated at 228.8 gpm peak hour flow (2.25 peaking factor) based on 732 sewer connections. This existing flow into the new West Bank Interceptor accounts for 3.66% of the flow in the new line which are attributable to existing users through sewer rates. This equates to \$309,764.13.

3.3 DEBT SERVICE

3.3.1 Outstanding

The City's outstanding debt service associated with wastewater facilities consists of the Sewer Revenue Bond issued in 2018 in order to finance improvements to the sewer collection system.

Table 3-4: Outstanding Debt Service

Date of Issue	Interest Rate	Final Maturity Date	Original Bond, Note Issue	Principal Outstanding at June 30, 2025	Total Interest Payments (2025-2035)
December, 2018	1.75%	August, 2049	\$4,880,000.00	\$4,232,000.00	\$704,462.00

3.3.2 Projected

The projected debt service anticipated for the study period was determined in the Grantsville CFP, IFFP, and IFA as shown in Table 3-5. The City received a \$16,000,000 Utah Water Quality Board 30-year loan with a 0.75% interest rate and \$160,000 loan origination fee. The City is also anticipating obtaining a private bond in the amount of \$32,088,247.53 assumed to be a 20-year bond with a 4.5% interest rate, 1.5% cost of issuance, 0.5% bond insurance, and a

\$20,000 surety policy. A portion of the interest payments for this bond can be funded through impact fees which is also shown in the following table. Additionally, a portion of the engineering cost of the Wastewater Treatment Facility project will be funded through a \$1 million bond with a 0% interest rate. This is a 20-year bond with a \$10,000 loan origination fee and \$33,000 cost of issuance.

Table 3-5: Projected Debt Service

Project - Loan or Bond	Proceeds	Par Amount ¹	Debt Service (Interest)	Debt Service (Principal + Interest)	Proportionate Share	Impact Fee Eligible Debt Service (Interest)
Proposed WWTF - Private Bond	\$32,088,247.53	\$32,750,012.48	\$17,603,881.24	\$50,353,893.72	12.8%	\$2,256,817.58
Proposed WWTF - Engineering Loan	\$1,000,000.00	\$1,043,000.00	\$0.00	\$1,043,000.00	12.8%	\$0.00
Proposed WWTF - Utah Water Quality Board Loan	\$16,000,000.00	\$16,160,000.00	\$1,946,388.33	\$18,106,388.33	12.8%	\$249,526.98

¹ Includes cost of issuance, bond insurance, loan origination fee, and surety policy (if applicable).

3.4 SUMMARY OF EXPENSES

Table 3-6 totals the sewer expenses projected over the study period as discussed in the sections above.

Table 3-6: Summary of Projected Expenses

Fiscal Year	Operating Expenses	Capital Improvement Projects	Debt Service Payments	Total Expenses
2025	\$2,347,756.22	\$0.00	\$210,405.00	\$2,558,161.22
2026	\$2,570,793.06	\$2,866,799.37	\$260,060.00	\$5,697,652.43
2027	\$2,815,018.40	\$30,030,199.91	\$2,778,374.69	\$35,623,593.00
2028	\$3,480,445.15	\$15,566,742.05	\$3,375,512.26	\$22,422,699.46
2029	\$3,811,087.44	\$0.00	\$3,376,045.26	\$7,187,132.70
2030	\$4,173,140.75	\$0.00	\$3,375,525.26	\$7,548,666.00
2031	\$4,569,589.12	\$0.00	\$3,375,970.26	\$7,945,559.37
2032	\$5,003,700.08	\$0.00	\$3,375,363.26	\$8,379,063.34
2033	\$5,479,051.59	\$0.00	\$3,375,720.26	\$8,854,771.85
2034	\$5,999,561.49	\$0.00	\$3,376,025.26	\$9,375,586.75
2035	\$6,569,519.83	\$1,860,555.08	\$3,375,277.26	\$11,805,352.17

3.5 REVENUES

The City’s sewer revenues include service charges (user rates), capital contributions, grants, investment earnings, and impact fees. For the 2025 fiscal year, the sewer revenues totaled \$1,623,931. In order to determine rates for future sewer service charges, all other revenue sources must be projected over the study period (2026-2035). It is assumed there will be no future capital contributions over the study period because any capital contributions for projects identified in this study would then result in a reduction in the City’s impact fee revenues proportional to the cost of the contribution. It is assumed there will be no other grants received to fund sewer projects in the study period. Future investment earnings and impact fees were projected in the Grantsville CFP, IFFP, and IFA based on proposed impact fee rates and the demographic projections shown in Table 2-2. The projected sewer revenues over the study period, excluding service charges, are shown in the table below.

Table 3-7: Projected Revenues

Fiscal Year	Capital Contributions	Grants	Investment Earnings	Impact Fees	Total Revenues
2026	\$0.00	\$0.00	\$10,568.88	\$1,056,324.50	\$1,066,893.38
2027	\$0.00	\$0.00	\$0.00	\$1,092,749.48	\$1,092,749.48
2028	\$0.00	\$0.00	\$34,291.50	\$1,390,220.17	\$1,424,511.67
2029	\$0.00	\$0.00	\$43,991.61	\$1,384,149.34	\$1,428,140.95
2030	\$0.00	\$0.00	\$60,317.42	\$1,475,211.79	\$1,535,529.21
2031	\$0.00	\$0.00	\$78,929.93	\$1,493,424.29	\$1,572,354.22
2032	\$0.00	\$0.00	\$98,451.86	\$1,608,770.06	\$1,707,221.92
2033	\$0.00	\$0.00	\$120,837.52	\$1,620,911.73	\$1,741,749.24
2034	\$0.00	\$0.00	\$144,124.58	\$1,693,761.69	\$1,837,886.27
2035	\$0.00	\$0.00	\$169,544.32	\$1,754,469.99	\$1,924,014.32

SECTION 4: RATE STRUCTURE ANALYSIS

4.1 EXISTING RATES

The existing sewer rate structure per the City’s utility fee schedule is shown in the table below. The current fee structure proposes a 7% annual increase each July to the utility fees.

Table 4-1: Existing Rates (2026)

Land Use	Base Fee (per month)	Usage Fee (per 1,000 gal) ¹
Residential	\$53.60	N/A
Non-Residential	\$47.87	\$3.31

¹ Usage is based on average actual sewer flow from years 2023 to 2025 into the WWTF.

The existing rate structure was multiplied by the growth projections from Section 2.3 in order to determine projected service charge revenues over the study period if no changes were made to the rates. These service charge revenues along with the projected expenses and revenues discussed in Section 3 were analyzed to determine debt service coverage ratios and days cash on hand, as shown in Table 4-2.

Table 4-2: Existing Rate Analysis

Fiscal Year:	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Beginning of Year Cash Balance	\$5,444,513.00	\$36,259,210.41	\$5,774,444.79	\$4,242,309.60	\$3,048,306.45	\$2,055,656.22	\$1,200,341.61	\$454,302.73	(\$295,662.25)	(\$1,000,594.89)
Residential Units	4,916	5,081	5,276	5,479	5,690	5,909	6,137	6,375	6,622	6,879
Non-Residential Units ¹	139	140	143	144	147	148	151	153	155	157
Service Charge Revenues	\$3,357,208.93	\$3,707,090.28	\$4,114,804.36	\$4,564,988.59	\$5,020,486.56	\$5,517,890.54	\$5,925,802.54	\$6,363,057.64	\$6,832,767.84	\$7,337,328.74
Other Revenues	\$1,066,893.38	\$1,092,749.48	\$1,424,511.67	\$1,428,140.95	\$1,535,529.21	\$1,572,354.22	\$1,707,221.92	\$1,741,749.24	\$1,837,886.27	\$1,924,014.32
Operating Expenses	(\$2,570,793.06)	(\$2,815,018.40)	(\$3,480,445.15)	(\$3,811,087.44)	(\$4,173,140.75)	(\$4,569,589.12)	(\$5,003,700.08)	(\$5,479,051.59)	(\$5,999,561.49)	(\$6,569,519.83)
Net Revenues Available for Debt Service ²	\$1,853,309.25	\$1,984,821.36	\$2,058,870.87	\$2,182,042.10	\$2,382,875.03	\$2,520,655.65	\$2,629,324.38	\$2,625,755.29	\$2,671,092.62	\$2,691,823.23
Debt Service	(\$260,060.00)	(\$2,778,374.69)	(\$3,375,512.26)	(\$3,376,045.26)	(\$3,375,525.26)	(\$3,375,970.26)	(\$3,375,363.26)	(\$3,375,720.26)	(\$3,376,025.26)	(\$3,375,277.26)
Debt Service Coverage Ratio	7.13	0.71	0.61	0.65	0.71	0.75	0.78	0.78	0.79	0.80
Capital Improvement Projects	(\$2,866,799.37)	(\$30,339,964.04)	(\$15,566,742.05)	-	-	-	-	-	-	(\$1,860,555.08)
Bond Proceeds	\$32,088,247.53	\$648,751.75	\$15,351,248.25	-	-	-	-	-	-	-
End of Year Cash Balance	\$36,259,210.41	\$5,774,444.79	\$4,242,309.60	\$3,048,306.45	\$2,055,656.22	\$1,200,341.61	\$454,302.73	(\$295,662.25)	(\$1,000,594.89)	(\$3,544,604.00)
Days Cash on Hand ³	5,148	749	445	292	180	96	33	0	0	0

¹ Sewer flows are estimated at 20,900 gal per month based on actual sewer flows into the WWTF from 2023 to 2025.

² All revenues minus operating expenses.

³ (end of year cash balance) / (operating expenses / 365)

As discussed in Section 1, the goals of the sewer rate are to maintain a debt service coverage ratio of at least 1.25 and at least 180 days cash on hand. It can be seen in Table 4-2 the existing rate structure is insufficient to meet these objectives over the study period due to the increased estimated cost of the new wastewater treatment facility.

4.2 PROPOSED RATES

An increase to the existing rate structure for each year in the study period is proposed as shown in Table 4-3. In addition to the increase in sewer rates, an increase in the assumed sewer flows to calculate commercial usage fees is also proposed. Sewer flow data from 2023-2025 was analyzed and it was determined the average sewer flow per unit for development types being charged the commercial rate (commercial, church, and school) is 20,900 gallons per month. This assumed sewer flows was utilized to calculate the projected service charge revenues for both the existing and proposed rates (Table 4-2 and Table 4-4).

Table 4-3: Proposed Rates

Fiscal Year	Residential Base Fee (per month)	Non-Residential		Annual Increase
		Base Fee (per month)	Usage Fee (per 1,000 gal) ¹	
2025	\$40.30	\$35.99	\$2.49	33.0%
2026	\$53.60	\$47.87	\$3.31	33.0%
2027	\$83.08	\$74.20	\$5.13	55.00%
2028	\$99.70	\$89.04	\$6.16	20.00%
2029	\$101.20	\$90.38	\$6.25	1.50%
2030	\$102.72	\$91.74	\$6.34	1.50%
2031	\$104.26	\$93.12	\$6.44	1.50%
2032	\$105.82	\$94.52	\$6.54	1.50%
2033	\$107.41	\$95.94	\$6.64	1.50%
2034	\$109.02	\$97.38	\$6.74	1.50%
2035	\$110.66	\$98.84	\$6.84	1.50%

Note: Users served outside of Grantsville City limits are charged 1.5 times the applicable rate.

¹ Sewer flows are estimated at 20,900 gal per month based on actual sewer flows into the WWTF from 2023 to 2025.

An analysis of the proposed sewer rates over the study period was conducted with the same methodology described in Section 4.1, as shown in Table 4-4. A debt service coverage ratio of at least 1.25 and at least 180 days cash on hand are maintained throughout the entire study period.

Table 4-4: Proposed Rate Analysis

Fiscal Year:	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Beginning of Year Cash Balance	\$5,444,513.00	\$36,259,210.41	\$7,437,688.83	\$8,476,673.03	\$9,753,275.52	\$11,149,430.28	\$12,573,516.82	\$14,113,628.75	\$15,648,409.72	\$17,217,012.08
Residential Units	4,916	5,081	5,276	5,479	5,690	5,909	6,137	6,375	6,622	6,879
Non-Residential Units ¹	139	140	143	144	147	148	151	153	155	157
Service Charge Revenues	\$3,357,208.93	\$5,370,334.32	\$6,685,923.74	\$7,035,594.24	\$7,409,291.54	\$7,797,291.70	\$8,211,953.35	\$8,647,803.58	\$9,106,302.84	\$9,590,305.34
Other Revenues	\$1,066,893.38	\$1,092,749.48	\$1,424,511.67	\$1,428,140.95	\$1,535,529.21	\$1,572,354.22	\$1,707,221.92	\$1,741,749.24	\$1,837,886.27	\$1,924,014.32
Operating Expenses	(\$2,570,793.06)	(\$2,815,018.40)	(\$3,480,445.15)	(\$3,811,087.44)	(\$4,173,140.75)	(\$4,569,589.12)	(\$5,003,700.08)	(\$5,479,051.59)	(\$5,999,561.49)	(\$6,569,519.83)
Net Revenues Available for Debt Service ²	\$1,853,309.25	\$3,648,065.40	\$4,629,990.26	\$4,652,647.75	\$4,771,680.01	\$4,800,056.80	\$4,915,475.19	\$4,910,501.23	\$4,944,627.62	\$4,944,799.83
Debt Service	(\$260,060.00)	(\$2,778,374.69)	(\$3,375,512.26)	(\$3,376,045.26)	(\$3,375,525.26)	(\$3,375,970.26)	(\$3,375,363.26)	(\$3,375,720.26)	(\$3,376,025.26)	(\$3,375,277.26)
Debt Service Coverage Ratio	7.13	1.31	1.37	1.38	1.41	1.42	1.46	1.45	1.46	1.47
Capital Improvement Projects	(\$2,866,799.37)	(\$30,339,964.04)	(\$15,566,742.05)	-	-	-	-	-	-	(\$1,860,555.08)
Bond Proceeds	\$32,088,247.53	\$648,751.75	\$15,351,248.25	-	-	-	-	-	-	-
End of Year Cash Balance	\$36,259,210.41	\$7,437,688.83	\$8,476,673.03	\$9,753,275.52	\$11,149,430.28	\$12,573,516.82	\$14,113,628.75	\$15,648,409.72	\$17,217,012.08	\$16,925,979.57
Days Cash on Hand ³	5,148	964	889	934	975	1,004	1,030	1,042	1,047	940

¹ Sewer flows are estimated at 20,900 gal per month based on actual sewer flows into the WWTF from 2023 to 2025.

² All revenues minus operating expenses.

³ (end of year cash balance) / (operating expenses / 365)

APPENDIX A: REFERENCES

1. Grantsville City Capital Facilities Plan, Impact Fee Facilities Plan, and Impact Fee Analysis 2026 Amendments. Ensign Engineering and Land Surveying, 2026.
2. Grantsville City Corporation's Basic Financial Statements. Gilbert & Stewart, dated for the fiscal year ending in 2025.

APPENDIX B: PAGES FROM GRANTSVILLE CITY CORPORATION'S BASIC FINANCIAL STATEMENTS – FISCAL YEAR 2025

GRANTSVILLE CITY CORPORATION
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2025

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Garbage	Totals
Assets:				
Current assets:				
Cash and cash equivalents	\$ 7,437,381	\$ 5,444,513	\$ 583,029	\$ 13,464,923
Accounts receivable, net	255,543	207,813	113,024	576,380
Inventory of supplies	128,694	7,664	29,405	165,763
Total current assets	7,821,618	5,659,990	725,458	14,207,066
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	1,913,539	533,092	-	2,446,631
Capital assets not being depreciated:				
Water rights	45,707,386	-	-	45,707,386
Rights of way and easements	27,000	-	-	27,000
Construction in progress	1,100,249	1,114,089	-	2,214,338
Capital assets, net of accumulated depreciation:				
Utility distribution and collection systems	19,619,888	22,057,873	5,626	41,683,387
Buildings	201,776	225,014	88,308	515,098
Equipment	773,724	274,665	37,508	1,085,897
Total noncurrent assets	69,343,562	24,204,733	131,442	93,679,737
Total assets	77,165,180	29,864,723	856,900	107,886,803
Deferred outflows of resources				
Deferred outflows of resources relating to pensions	162,610	128,437	29,773	320,820
Total assets and deferred outflows of resources	\$ 77,327,790	\$ 29,993,160	\$ 886,673	\$ 108,207,623
Liabilities:				
Current liabilities:				
Accounts payable	\$ 533,348	\$ 132,483	\$ 90,823	\$ 756,654
Accrued liabilities	85,004	34,610	8,723	128,337
Interest payable	54,323	70,976	-	125,299
Retention payable - from restricted assets	49,426	-	-	49,426
Unearned revenue	352,386	-	-	352,386
Compensated absences	77,920	59,760	7,040	144,720
Lease payable	37,218	37,218	-	74,436
Bonds payable	163,000	186,000	-	349,000
Total current liabilities	1,352,625	521,047	106,586	1,980,258
Noncurrent liabilities:				
Compensated absences	19,480	14,940	1,760	36,180
Bonds payable	5,818,060	4,718,875	-	10,536,935
Net pension liability	134,507	104,166	27,410	266,083
Total noncurrent liabilities	5,972,047	4,837,981	29,170	10,839,198
Total liabilities	7,324,672	5,359,028	135,756	12,819,456
Deferred inflows of resources				
Deferred inflows of resources relating to pensions	-	4,256	-	4,256
Net position:				
Net investment in capital assets	65,139,955	18,729,548	131,442	84,000,945
Restricted for capital projects	1,128,848	311,186	-	1,440,034
Restricted for debt service	735,265	221,906	-	957,171
Unrestricted	2,999,050	5,367,236	619,475	8,985,761
Total net position	70,003,118	24,629,876	750,917	95,383,911
Total liabilities deferred inflows of resources, and net position	\$ 77,327,790	\$ 29,993,160	\$ 886,673	\$ 108,207,623

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

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

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Garbage	Totals
Operating revenues:				
Charges for services	\$ 2,505,087	\$ 2,379,621	\$ 1,290,931	\$ 6,175,639
Intergovernmental revenue	897,180	-	-	897,180
Connection fees	376,557	-	-	376,557
Other	137,727	-	-	137,727
Total operating revenues	<u>3,916,551</u>	<u>2,379,621</u>	<u>1,290,931</u>	<u>7,587,103</u>
Operating expenses:				
Salaries and wages	666,684	582,391	124,036	1,373,111
Employee benefits	313,650	290,585	52,786	657,021
Professional services	197,426	180,264	27,027	404,717
Materials and supplies	520,166	177,438	45,811	743,415
Depreciation	787,066	863,752	16,047	1,666,865
Utilities	306,625	169,315	9,608	485,548
Waste collection and disposal	-	-	963,869	963,869
Other operating expenses	9,809	-	-	9,809
Total operating expenses	<u>2,801,426</u>	<u>2,263,745</u>	<u>1,239,184</u>	<u>6,304,355</u>
Operating income (loss)	<u>1,115,125</u>	<u>115,876</u>	<u>51,747</u>	<u>1,282,748</u>
Other nonoperating revenues (expenses):				
Capital contributions	8,870,898	1,396,731	-	10,267,629
Grants	-	249,275	-	249,275
Investment earnings	328,876	211,268	17,262	557,406
Impact fees	529,670	489,537	-	1,019,207
Interest expense	(56,593)	(76,012)	-	(132,605)
Total other nonoperating revenues (expenses)	<u>9,672,851</u>	<u>2,270,799</u>	<u>17,262</u>	<u>11,960,912</u>
Increase (decrease) in fund net position	10,787,976	2,386,675	69,009	13,243,660
Fund net position - beginning of period	59,237,342	22,264,601	684,208	82,186,151
Adjustment for GASB 101 (note 15)	(22,200)	(21,400)	(2,300)	(45,900)
Fund net position - end of period	<u>\$ 70,003,118</u>	<u>\$ 24,629,876</u>	<u>\$ 750,917</u>	<u>\$ 95,383,911</u>

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

GRANTSVILLE CITY CORPORATION
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For The Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			
	Water	Sewer	Garbage	Totals
Cash flows from operating activities:				
Receipts from customers and users	\$ 3,886,358	\$ 2,323,911	\$ 1,283,744	\$ 7,494,013
Payments to suppliers	(587,207)	(770,277)	(1,097,055)	(2,454,539)
Payments to employees and related benefits	(923,210)	(852,670)	(168,010)	(1,943,890)
Net cash flows from operating activities	2,375,941	700,964	18,679	3,095,584
Cash flows from capital and related Financing activities:				
Grants	(449,643)	-	-	(449,643)
Impact fees	529,670	489,537	-	1,019,207
Bond proceeds	3,261,060	422,875	-	3,683,935
Principal paid on bonds	(161,000)	(134,000)	-	(295,000)
Principal paid on leases	(31,618)	(31,616)	-	(63,234)
Interest paid	(42,537)	(75,727)	-	(118,264)
Purchases of capital assets	(2,858,956)	(1,682,147)	-	(4,541,103)
Net cash flows from (used by) capital and related financing activities	246,976	(1,011,078)	-	(764,102)
Cash flows from investing activities:				
Interest on investments	328,876	211,268	17,262	557,406
Net cash flows from investing activities	328,876	211,268	17,262	557,406
Net increase (decrease) in cash	2,951,793	(98,846)	35,941	2,888,888
Cash at beginning of year	6,399,127	6,076,451	547,088	13,022,666
Cash at end of year	\$ 9,350,920	\$ 5,977,605	\$ 583,029	\$ 15,911,554
As reported on the statement of net position				
Cash and cash equivalents	\$ 7,437,381	\$ 5,444,513	\$ 583,029	\$ 13,464,923
Restricted cash and cash equivalents	1,913,539	533,092	-	2,446,631
	\$ 9,350,920	\$ 5,977,605	\$ 583,029	\$ 15,911,554
Reconciliation of operating income to net cash flows from operating activities:				
Operating income (loss)	\$ 1,115,125	\$ 115,876	\$ 51,747	\$ 1,282,748
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation expense	787,066	863,752	16,047	1,666,865
Pension expense adjustment	29,282	21,298	6,894	57,474
(Increase) Decrease in assets and deferred outflows				
Accounts receivable	(30,193)	(55,710)	(7,187)	(93,090)
Inventory	(21,295)	420	(5,281)	(26,156)
Increase (Decrease) in liabilities and deferred inflows				
Accounts payable	418,688	(172,614)	(45,459)	200,615
Accrued liabilities	13,042	4,108	1,718	18,868
Retention payable	49,426	(71,066)	-	(21,640)
Compensated absences	14,800	(5,100)	200	9,900
Net cash flows from operating activities	\$ 2,375,941	\$ 700,964	\$ 18,679	\$ 3,095,584
Value of assets contributed from developers or gov't funds	\$ 8,870,898	\$ 1,396,731	\$ -	\$ 10,267,629

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

Agenda Item # 6

Council Reports

Agenda Item # 7

Adjourn