

# ALPINE CITY



## BASIC FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

*For the Year Ended June 30, 2024*

Intentionally left blank

**ALPINE CITY  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2024**

	Beginning on <u>Page</u>
<b>Independent Auditor’s Report</b>	1
<b>Management’s Discussion and Analysis (Unaudited)</b>	5
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds	13
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	14
Statement of Revenues, Expenditures, and Changes in Fund Balance – 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 Net Position Proprietary Funds	17
Statement of Revenues, Expenses and Changes in Net position of Proprietary Funds	18
Statement of Cash Flows of Proprietary Funds	19
Notes to the Financial Statements	21
<b>Required Supplementary Information (Unaudited):</b>	
Notes to Required Supplementary Information	44
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	46
Schedule of the Proportionate Share of the Net Pension Liability	47
Schedule of Contributions	48
<b>Supplementary Information:</b>	
<b>Combining and Individual Fund Statements</b>	
Combining Balance Sheet – Nonmajor Governmental Funds	50
Combining Statement of Revenues, Expenditures, and Change Fund Balances – Nonmajor Governmental Funds	51
<b>Other Reports:</b>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	54
Independent Auditor’s Report on Compliance and Report on Internal Control Over Compliance as Required by the <i>State Compliance Audit Guide</i>	56

Intentionally left blank



## INDEPENDENT AUDITOR'S REPORT

City Council Members  
Alpine City  
Alpine, Utah

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Alpine City as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise Alpine City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Alpine City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement from fraud is higher than for one resulting from error, as fraud may involve collusion, 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Alpine 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 Alpine 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 other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

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

The combining and individual nonmajor fund financial statements 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, on our consideration of Alpine 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 Alpine City's internal control over financial reporting and compliance.



Larson & Company P.C.

Spanish Fork, Utah  
October 31, 2024

Intentionally left blank

## **Management's Discussion & Analysis**

# Alpine City

## Management's Discussion and Analysis

For the Year Ended June 30, 2024

---

This Management Discussion and Analysis (MD&A) of Alpine City's financial performance is designed to assist readers in understanding the City's basic financial statements the relationship of different types of statements, and the significant differences in the information they provide. The MD&A will identify changes in the City's ability to address the next and subsequent years financial needs based on currently known facts, and is best understood if read in conjunction with the Alpine City's basic financial statements.

### Financial highlights as of the close of FY 2024

During the year 2024 the total net position of Alpine City increased by \$3,756,455 to a total of \$97,733,768. The governmental net position increased by \$2,064,836 and the business-type net positions increased by \$1,691,619.

The total net position (governmental and business-type activities) of Alpine City consists of \$78,044,327 in capital assets, net of related debt, \$4,705,165 in restricted net position and \$14,984,276 in unrestricted net position.

The total long-term liabilities of Alpine City decreased by \$610,149, which include the net pension liability, during the fiscal year 2024. Regular principal payments were made on existing bonds and notes.

### Reporting the City as a whole

This discussion and analysis is intended to serve as an introduction to Alpine City's basic financial statements. Alpine City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

### Government-Wide Financial Statements

The Government-Wide Financial Statements are designed so that all governmental and business-type activities are reported in columns, which add to a total for the primary government. The Statement of Net Position provides bottom line results of Alpine City's activities as a whole and presents a longer-term view of Alpine City's finances. The Statement of Net Position and the Statement of Activities report information about Alpine City's financial position and activities in the following categories.

Governmental activities – The governmental activities of Alpine City include general government, public safety, parks and recreation, and public works.

Business-type activities – these include water, sewer, pressure irrigation, and storm drain.

Refer to the table of contents for the location of the Government-Wide Financial Statements.

### Fund Financial Statements

Funds are accounting devices that Alpine City uses to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide detailed information that focus on the most significant funds rather than the City as a whole. Major funds are separately reported to control and manage money and to show that legal responsibilities are met for certain taxes, grants, and other designated funds. Alpine City uses the following types of 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 at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

# Alpine City

## Management's Discussion and Analysis

For the Year Ended June 30, 2024

---

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 effect of Alpine City's near-term financing decisions. Both the governmental balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The only governmental funds (as determined by generally accepted accounting principles) are the General Fund and the Capital Projects Fund. Alpine City's only non-major funds are the Special Revenue Fund and the Permanent Fund.

Proprietary funds - Alpine City maintains four proprietary funds, all enterprise funds, to account for its Water, Sewer, Pressure Irrigation, and Storm Drain operations. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. As determined by general accepted accounting principles, the Water, Sewer, Pressure Irrigation, and the Storm Drain all meet the criteria for major fund classification.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Alpine City currently has no fiduciary 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.

Refer to the table of contents for the location of the fund financial statements and notes to the financial statements.

### **Other information**

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

### **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 Alpine City, assets exceeded liabilities by \$97,733,768 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (80 percent) reflects its investment in capital assets (e.g., land, buildings, machinery & equipment, and infrastructure), less depreciation and any debt used to acquire those assets that is still outstanding. Nibley City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in 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.

The following schedules present summarized information from the Statement of Net Position and the Statement of activities.

# Alpine City

## Management's Discussion and Analysis

For the Year Ended June 30, 2024

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$17,711,970	\$ 18,284,982	\$ 10,398,122	\$ 9,053,947	\$28,110,092	\$ 27,338,929
Capital assets	44,662,062	41,748,801	33,382,265	33,342,244	78,044,327	75,091,045
Deferred outflows	179,615	138,270	211,946	202,037	391,561	340,307
Total assets	<b>62,553,647</b>	<b>60,172,053</b>	<b>43,992,333</b>	<b>42,598,228</b>	<b>106,545,980</b>	<b>102,770,281</b>
Other liabilities	3,340,069	3,077,490	309,150	-	3,649,219	3,077,490
Long-term liabilities outstanding	187,994	193,224	2,309,819	2,914,738	2,497,813	3,107,962
Deferred Inflows	2,664,388	2,604,979	792	2,537	2,665,180	2,607,516
Total liabilities	<b>6,192,451</b>	<b>5,875,693</b>	<b>2,619,761</b>	<b>2,917,275</b>	<b>8,812,212</b>	<b>8,792,968</b>
Net Position:						
Net Investment in Capital Assets	44,662,062	41,748,801	33,382,265	33,342,244	78,044,327	75,091,045
Restricted	3,198,568	4,572,316	1,506,597	1,313,875	4,705,165	5,886,191
Unrestricted	8,500,566	7,975,243	6,483,710	5,024,834	14,984,276	13,000,077
Total Net Position	<b>\$56,361,196</b>	<b>\$ 54,296,360</b>	<b>\$ 41,372,572</b>	<b>\$ 39,680,953</b>	<b>\$97,733,768</b>	<b>\$ 93,977,313</b>

A portion of Alpine City's net position (5 percent) represents resources that are subject to external restrictions on how they may be used.

At the end of the year, Alpine City is able to report positive balances in all categories of net position.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 1,508,499	\$ 1,707,384	\$ 3,362,622	\$ 3,161,517	\$ 4,871,121	\$ 4,868,901
Operating grants and contribs	-	621,226	-	-	-	621,226
Capital grants and contribs	855,428	933,734	964,744	597,388	1,820,172	1,531,122
General revenues:						
Property taxes	2,911,730	2,820,484	-	-	2,911,730	2,820,484
Sales taxes	2,140,841	883,046	-	-	2,140,841	883,046
Other taxes	1,264,103	2,256,965	-	-	1,264,103	2,256,965
Impact fees	-	-	162,382	-	162,382	-
Unrestricted investment earnings	754,305	515,759	489,608	306,205	1,243,913	821,964
Other	257,875	213,731	14,499	-	272,374	213,731
Total revenues	<b>9,692,781</b>	<b>9,952,329</b>	<b>4,993,855</b>	<b>4,065,110</b>	<b>14,686,636</b>	<b>14,017,439</b>
Expenses:						
General government	427,507	1,116,570	-	-	427,507	1,116,570
Public safety	1,725,719	2,680,087	-	-	1,725,719	2,680,087
Streets	3,873,107	1,659,964	-	-	3,873,107	1,659,964
Parks and recreation	682,553	643,262	-	-	682,553	643,262
Cemetery	211,363	175,075	-	-	211,363	175,075
Garbage	707,696	660,337	-	-	707,696	660,337
Water	-	-	896,991	909,171	896,991	909,171
Sewer	-	-	1,123,356	1,151,659	1,123,356	1,151,659
Pressurized Irrigation	-	-	260,834	1,026,933	260,834	1,026,933
Storm water	-	-	1,021,055	271,398	1,021,055	271,398
Total expenses	<b>7,627,945</b>	<b>6,935,295</b>	<b>3,302,236</b>	<b>3,359,161</b>	<b>10,930,181</b>	<b>10,294,456</b>
Increase in net position before transfers	<b>2,064,836</b>	<b>3,017,034</b>	<b>1,691,619</b>	<b>705,949</b>	<b>3,756,455</b>	<b>3,722,983</b>
Increase (decrease) in Net Position	2,064,836	3,017,034	1,691,619	705,949	3,756,455	3,722,983
Net Position - Beginning	54,296,360	51,279,326	39,680,953	38,975,004	93,977,313	90,254,330
Net Position - Ending	<b>\$ 56,361,196</b>	<b>\$ 54,296,360</b>	<b>\$ 41,372,572</b>	<b>\$ 39,680,953</b>	<b>\$ 97,733,768</b>	<b>\$ 93,977,313</b>

### Financial Analysis of the Government's Funds

#### Governmental funds

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

# Alpine City

## Management's Discussion and Analysis

For the Year Ended June 30, 2024

---

At the end of the year, Alpine City's governmental funds reported combined ending fund balance of \$11,712,359, a decrease of \$893,026 in comparison with the prior year. Approximately 30 percent of this amount (\$2,548,750) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

The general fund is the chief operating fund of Alpine City. All activities which are not required to be accounted for either by state or local ordinance or by a desire to maintain a matching of revenues and expenditures are accounted, for in this fund. At the end of the current year, unreserved fund balance of the general fund was \$2,548,750. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 28 percent of total general fund revenues.

Taxes continue to be the largest source of revenue in the General Fund and represent 70 percent of total general fund revenues. The two largest elements of taxes are property taxes and sales taxes. Combined, they represent 80 percent of total tax revenues and 56 percent of total general fund revenues.

### General Fund Budgetary Highlights

During the current fiscal year the General Fund budget for revenue was \$8,327,916. The actual revenue was \$9,025,891. This resulted in a favorable variance of \$697,975 for revenue. The General Fund budget for expenditures was \$9,269,782. Actual expenditures were \$8,430,773. This resulted in a favorable variance of \$839,009 for expenditures. Overall, the City had a favorable variance for the excess of revenues over expenditures of \$1,536,984 before transfers.

Alpine City's investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$78,044,327 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, park facilities, roads and infrastructure (streets, sidewalks, curb and gutter, etc.). The total increase in Alpine City's investment in capital assets for the current year was \$2,953,281 and depreciation expense was \$2,429,775.

	Governmental		Business-type		Total	
	2024	2023	2024	2023	2024	2023
Land and water rights	\$ 22,972,644	\$ 22,775,044	\$ 529,527	\$ 529,527	\$ 23,502,171	\$ 23,304,571
Buildings	1,318,814	817,577	29,775	33,414	1,348,589	850,991
Improvements and infrastructure	19,618,423	17,414,026	32,065,326	31,962,302	51,683,749	49,376,328
Machinery and equipment	752,181	742,155	757,637	817,001	1,509,818	1,559,156
Total	<b>\$ 44,662,062</b>	<b>\$ 41,748,802</b>	<b>\$ 33,382,265</b>	<b>\$ 33,342,244</b>	<b>\$ 78,044,327</b>	<b>\$ 75,091,046</b>

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

### Long-term debt

At the end of the current year, Alpine City had long term debt outstanding of \$2,242,637. The debt represents revenue bonds secured solely by specified revenue sources, notes payable, and/or compensated absences.

	Governmental		Business-type		Total	
	2024	2023	2024	2023	2024	2023
Compensated absences	\$ 81,952	\$ 116,318	\$ 61,637	\$ 38,264	\$ 143,589	\$ 154,582
Revenue bonds	-	-	2,181,000	2,528,000	2,181,000	2,528,000
Total	<b>\$ 81,952</b>	<b>\$ 116,318</b>	<b>\$ 2,242,637</b>	<b>\$ 2,566,264</b>	<b>\$ 2,324,589</b>	<b>\$ 2,682,582</b>

**Alpine City**  
**Management's Discussion and Analysis**  
For the Year Ended June 30, 2024

---

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

**Requests for Information**

This financial report is designed to provide a general overview of Alpine 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 City Finance Officer, 20 N Main St, Alpine, Utah 84004

## **Basic Financial Statements**

The basic financial statements include integrated sets of financial statements as required by accounting principles generally accepted in the United States of America. The statements include:

- Government-wide financial statements
- Fund financial statements
  - Governmental funds
  - Proprietary funds

**Alpine City**  
**Government-wide Statement of Net Position**  
As of June 30, 2024

	Primary Government		Totals
	Governmental	Business-type	
	Activities	Activities	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Cash and cash equivalents	\$ 11,176,629	\$ 8,546,581	\$ 19,723,210
Restricted cash	3,171,424	1,506,597	4,678,021
Receivables, net			
Taxes	3,336,773	-	3,336,773
Accounts	-	344,944	344,944
Prepaid expenses	27,144	-	27,144
Capital assets, not being depreciated	22,972,644	529,527	23,502,171
Capital assets, net of accumulated depreciation	21,689,418	32,852,738	54,542,156
Total Assets	<u>62,374,032</u>	<u>43,780,387</u>	<u>106,154,419</u>
Deferred outflows of resources - pensions	179,615	211,946	391,561
<b>Total Assets and Deferred Outflows of Resources</b>	<u>62,553,647</u>	<u>43,992,333</u>	<u>106,545,980</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
Accounts payable	3,340,069	250,507	3,590,576
Current portion of compensated absences	-	58,643	58,643
Customer deposits payable	10,438	28,500	38,938
Current portion of bonds payable	-	352,000	352,000
Non-current:			
Compensated absences	71,514	2,994	74,508
Bonds payable	-	1,829,000	1,829,000
Accrued interest payable	-	3,626	3,626
Net pension liability	106,042	93,699	199,741
Total Liabilities	<u>3,528,063</u>	<u>2,618,969</u>	<u>6,147,032</u>
Deferred inflows of resources - property taxes	2,659,542	-	2,659,542
Deferred inflows of resources - pensions	4,846	792	5,638
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>6,192,451</u>	<u>2,619,761</u>	<u>8,812,212</u>
<b>NET POSITION</b>			
Net investment in capital assets	44,662,062	33,382,265	78,044,327
Restricted	3,198,568	1,506,597	4,705,165
Unrestricted	8,500,566	6,483,710	14,984,276
Total Net Position	<u>\$ 56,361,196</u>	<u>\$ 41,372,572</u>	<u>\$ 97,733,768</u>

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

**Alpine City**  
**Government-wide Statement of Activities**  
For the Year Ended June 30, 2024

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Operating Grants and Contributions		Governmental Activities	Business-type Activities	Total
		Charges for Services	Capital Grants and Contributions			
<b>Primary government:</b>						
Governmental Activities:						
General government	\$ 427,507	\$ 459,873	\$ 24,970	\$ 57,336	\$ -	\$ 57,336
Public safety	1,725,719	85,587	-	(1,640,132)	-	(1,640,132)
Streets	3,873,107	-	588,710	(3,284,397)	-	(3,284,397)
Parks and recreation	682,553	-	240,928	(441,625)	-	(441,625)
Cemetery	211,363	247,800	820	37,257	-	37,257
Garbage	707,696	715,239	-	7,543	-	7,543
<b>Total Governmental Activities</b>	<b>7,627,945</b>	<b>1,508,499</b>	<b>855,428</b>	<b>(5,264,018)</b>	<b>-</b>	<b>(5,264,018)</b>
Business-type Activities:						
Water	896,991	878,255	206,618	-	187,882	187,882
Sewer	1,123,356	1,123,012	101,470	-	101,126	101,126
Pressurized Irrigation	1,021,055	1,171,427	276,375	-	426,747	426,747
Storm Drain	260,834	189,928	380,281	-	309,375	309,375
<b>Total Business-type Activities</b>	<b>3,302,236</b>	<b>3,362,622</b>	<b>964,744</b>	<b>-</b>	<b>1,025,130</b>	<b>1,025,130</b>
<b>Total Primary Government</b>	<b>\$ 10,930,181</b>	<b>\$ 4,871,121</b>	<b>\$ 1,820,172</b>	<b>\$ (5,264,018)</b>	<b>\$ 1,025,130</b>	<b>\$ (4,238,888)</b>
General revenues:						
Property tax				2,911,730	-	2,911,730
Sales tax				2,140,841	-	2,140,841
Mass transit tax				202,164	-	202,164
Franchise and other taxes				1,061,939	-	1,061,939
Unrestricted investment earnings				754,305	489,608	1,243,913
Impact fees				-	162,382	162,382
Miscellaneous				257,875	14,499	272,374
<b>Total general revenues and transfers</b>				<b>7,328,854</b>	<b>666,489</b>	<b>7,995,343</b>
Change in net position				2,064,836	1,691,619	3,756,455
Net Position - Beginning				54,296,360	39,680,953	93,977,313
<b>Net Position - Ending</b>				<b>\$ 56,361,196</b>	<b>\$ 41,372,572</b>	<b>\$ 97,733,768</b>

The notes to the financial statements are an integral part of this statement  
12

**Alpine City**  
**Balance Sheet – Governmental Funds**  
As of June 30, 2024

	General Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,199,259	\$ 7,977,370	\$ -	\$ 11,176,629
Restricted cash	1,116,569	-	2,054,855	3,171,424
Receivables	3,336,773	-	-	3,336,773
Prepaid expenses	27,144	-	-	27,144
Total assets	<u>7,679,745</u>	<u>7,977,370</u>	<u>2,054,855</u>	<u>17,711,970</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	332,600	67,557	-	400,157
Developer Completion Bonds Payable	995,140	-	-	995,140
Infrastructure Protection Bonds Payable	-	1,944,772	-	1,944,772
Deferred inflows of resources	2,659,542	-	-	2,659,542
Total liabilities and deferred inflows	<u>3,987,282</u>	<u>2,012,329</u>	<u>-</u>	<u>5,999,611</u>
Fund balances:				
Non-spendable	27,144	-	932,926	960,070
Restricted	1,116,569	-	1,121,929	2,238,498
Assigned	-	5,965,041	-	5,965,041
Unassigned	2,548,750	-	-	2,548,750
Total fund balances	<u>3,692,463</u>	<u>5,965,041</u>	<u>2,054,855</u>	<u>11,712,359</u>
Total liabilities and fund balances	<u>\$ 7,679,745</u>	<u>\$ 7,977,370</u>	<u>\$ 2,054,855</u>	<u>\$ 17,711,970</u>

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

**Alpine City**  
**Reconciliation of Total Governmental Fund Balances to**  
**Government-wide Net Position**  
As of June 30, 2024

---

Total fund balances - governmental fund types:	<u>\$ 11,712,359</u>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets and net pension assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	44,662,062
Deferred inflows and outflows of resources, an acquisition or consumption of net position that applies to future periods, is not shown in the fund statements.	
Deferred outflows of resources relating to pensions	179,615
Deferred inflows of resources relating to pensions	(4,846)
Long-term liabilities, including bonds payable, compensated absences, and/or lease obligations are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(81,952)
Net pension liability	<u>(106,042)</u>
Net Position of government activities	<u><b>\$ 56,361,196</b></u>

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

**Alpine City**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
For the Year Ended June 30, 2024

	General Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 6,316,674	\$ -	\$ -	\$ 6,316,674
Licenses and permits	415,462	-	-	415,462
Intergovernmental revenue	854,607	-	820	855,427
Charges for services	852,294	-	155,156	1,007,450
Fines and forfeitures	85,587	-	-	85,587
Interest income	251,683	404,620	98,002	754,305
Miscellaneous	249,584	2,913	5,376	257,873
Total revenues	<b>9,025,891</b>	<b>407,533</b>	<b>259,354</b>	<b>9,692,778</b>
<b>EXPENDITURES</b>				
Current:				
General Government	1,238,307	-	-	1,238,307
Public Safety	2,826,708	-	-	2,826,708
Streets	3,027,278	-	-	3,027,278
Parks & Recreation	436,236	-	-	436,236
Cemetery	194,548	-	10,200	204,748
Garbage	707,696	-	-	707,696
Capital outlay	-	2,144,830	-	2,144,830
Total expenditures	<b>8,430,773</b>	<b>2,144,830</b>	<b>10,200</b>	<b>10,585,803</b>
Excess revenues over (under) expenditures	<b>595,118</b>	<b>(1,737,297)</b>	<b>249,154</b>	<b>(893,025)</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	750,000	-	750,000
Transfers out	(750,000)	-	-	(750,000)
Total other financing sources and uses	<b>(750,000)</b>	<b>750,000</b>	<b>-</b>	<b>-</b>
Excess of revenues and other sources over (under) expenditures and other uses	(154,882)	(987,297)	249,154	(893,025)
Fund balances - beginning of year	3,847,345	6,952,338	1,805,701	12,605,384
Fund balances - end of year	<b>\$ 3,692,463</b>	<b>\$ 5,965,041</b>	<b>\$ 2,054,855</b>	<b>\$ 11,712,359</b>

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

## Alpine City

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities For the Year Ended June 30, 2024

---

Net changes in fund balances - total governmental funds	<u>\$ (893,025)</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Developer contributions of assets are also not reported in fund statements as they do not represent current resources, but rather are included with capital assets on the Statement of Net Position. This is the amount by which capital outlay and developer contributions of assets exceeded depreciation in the current period.	2,913,261
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in compensated absences	34,366
Pension benefits/pension expenses resulting from pension liability	<u>10,234</u>
Change in net position of governmental activities	<u><u>\$ 2,064,836</u></u>

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

**Alpine City**  
**Statement of Net Position – Proprietary Funds**  
As of June 30, 2024

	Business-Type Activities - Enterprise Funds				Total
	Water Fund	Sewer Fund	Pressure Irrigation	Storm Drain	
<b>ASSETS AND DEFERRED OUTFLOWS</b>					
Current assets:					
Cash and cash equivalents:					
Unrestricted	\$ 3,362,702	\$ 3,118,369	\$ 1,183,285	\$ 882,225	\$ 8,546,581
Restricted	641,760	167,657	488,611	208,569	1,506,597
Receivables:					
utilities (net of allowance)	94,830	90,158	144,005	15,951	344,944
Total current assets	<b>4,099,292</b>	<b>3,376,184</b>	<b>1,815,901</b>	<b>1,106,745</b>	<b>10,398,122</b>
Noncurrent assets:					
Property and Equipment:					
Land and water rights	292,400	21,072	-	216,055	529,527
Buildings	169,103	45,971	-	-	215,074
Less:accumulated depreciation	(139,936)	(45,363)	-	-	(185,299)
Improvements other than buildings	16,998,720	8,499,458	16,336,656	7,608,247	49,443,081
Less:accumulated depreciation	(6,625,838)	(3,595,296)	(5,090,582)	(2,066,039)	(17,377,755)
Machinery and equipment	1,208,769	424,532	373,570	-	2,006,871
Less:accumulated depreciation	(679,635)	(290,769)	(278,830)	-	(1,249,234)
Total noncurrent assets	<b>11,223,583</b>	<b>5,059,605</b>	<b>11,340,814</b>	<b>5,758,263</b>	<b>33,382,265</b>
Total assets	<b>15,322,875</b>	<b>8,435,789</b>	<b>13,156,715</b>	<b>6,865,008</b>	<b>43,780,387</b>
Deferred Outflows of Resources:					
Deferred outflows related to pensions	56,533	52,170	89,203	14,040	211,946
<b>Total Assets and Deferred Outflows</b>	<b>15,379,408</b>	<b>8,487,959</b>	<b>13,245,918</b>	<b>6,879,048</b>	<b>43,992,333</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>					
Current liabilities:					
Accounts payable	16,005	213,842	19,280	1,380	250,507
Compensated absences	998	998	998	-	2,994
Accrued interest payable	-	-	3,626	-	3,626
Customer deposits payable	28,500	-	-	-	28,500
Current portion of bonds payable	-	-	352,000	-	352,000
Total current liabilities	<b>45,503</b>	<b>214,840</b>	<b>375,904</b>	<b>1,380</b>	<b>637,627</b>
Noncurrent liabilities:					
Advances to other funds					
Net pension liability	33,377	30,799	21,233	8,290	93,699
Compensated absences	32,628	14,085	11,467	463	58,643
Bonds payable	-	-	1,829,000	-	1,829,000
Total noncurrent liabilities	<b>66,005</b>	<b>44,884</b>	<b>1,861,700</b>	<b>8,753</b>	<b>1,981,342</b>
Total liabilities	<b>111,508</b>	<b>259,724</b>	<b>2,237,604</b>	<b>10,133</b>	<b>2,618,969</b>
Deferred inflows of Resources:					
Deferred inflows related to pensions	282	260	180	70	792
<b>Total Liabilities and Deferred Inflows</b>	<b>111,790</b>	<b>259,984</b>	<b>2,237,784</b>	<b>10,203</b>	<b>2,619,761</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	11,223,583	5,059,605	11,340,814	5,758,263	33,382,265
Restricted:					
Impact fees	641,760	167,657	488,611	208,569	1,506,597
Unrestricted	3,402,275	3,000,713	(821,291)	902,013	6,483,710
Total Net Position	<b>\$ 15,267,618</b>	<b>\$ 8,227,975</b>	<b>\$ 11,008,134</b>	<b>\$ 6,868,845</b>	<b>\$ 41,372,572</b>

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

**Alpine City**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
For the Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds				Total Business Type
	Water Fund	Sewer Fund	Pressure Irrigation	Storm Drain	
<b>Operating revenues:</b>					
Charge for services	\$ 866,080	\$ 1,120,137	\$ 1,129,644	\$ 189,928	\$ 3,305,789
Connection fees	12,175	2,875	41,783	-	56,833
Miscellaneous	7,290	-	1,809	5,400	14,499
Total operating revenues	<b>885,545</b>	<b>1,123,012</b>	<b>1,173,236</b>	<b>195,328</b>	<b>3,377,121</b>
<b>Operating expenses:</b>					
Wages and benefits	112,527	246,656	234,259	66,346	659,788
Operations	388,471	693,736	371,355	34,309	1,487,871
Depreciation	395,993	182,964	358,080	160,179	1,097,216
Total operating expenses	<b>896,991</b>	<b>1,123,356</b>	<b>963,694</b>	<b>260,834</b>	<b>3,244,875</b>
Operating income	<b>(11,446)</b>	<b>(344)</b>	<b>209,542</b>	<b>(65,506)</b>	<b>132,246</b>
<b>Nonoperating revenues (expenses):</b>					
Impact fees	56,987	17,361	86,434	1,600	162,382
Interest income	194,530	164,704	76,926	53,448	489,608
Developer contributions	206,618	101,470	276,375	380,281	964,744
Interest and amortization expense	-	-	(57,361)	-	(57,361)
Total nonoperating revenues (expenses)	<b>458,135</b>	<b>283,535</b>	<b>382,374</b>	<b>435,329</b>	<b>1,559,373</b>
Change in net position	446,689	283,191	591,916	369,823	1,691,619
Total Net Position - Beginning	14,820,929	7,944,784	10,416,218	6,499,022	39,680,953
Total Net Position - Ending	<b>\$ 15,267,618</b>	<b>\$ 8,227,975</b>	<b>\$ 11,008,134</b>	<b>\$ 6,868,845</b>	<b>\$ 41,372,572</b>

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

**Alpine City**  
**Statement of Cash Flows – Proprietary Funds**  
For the Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds				
	Water Fund	Sewer Fund	Pressure Irrigation	Storm Drain	Total
<b>Cash Flows From Operating Activities</b>					
Receipts from customers	\$ 878,112	\$ 1,119,545	\$ 1,101,415	\$ 194,252	\$ 3,293,324
Payments to suppliers	(383,241)	(670,552)	(387,184)	(34,351)	(1,475,328)
Payments to employees	(86,738)	(264,306)	(203,421)	(78,290)	(632,755)
Net cash provided (used) by operating activities	<b>408,133</b>	<b>184,687</b>	<b>510,810</b>	<b>81,611</b>	<b>1,185,241</b>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Purchases of capital assets	(244,885)	(207,047)	(305,025)	(380,280)	(1,137,237)
Impact fee income	56,987	17,361	86,434	1,600	162,382
Capital contributions from others	206,618	101,470	276,375	380,281	964,744
Principal paid on capital debt	-	-	(352,000)	-	(352,000)
Interest and amortization expense	-	-	(57,361)	-	(57,361)
Net cash provided (used) by capital and related financing activities	<b>18,720</b>	<b>(88,216)</b>	<b>(351,577)</b>	<b>1,601</b>	<b>(419,472)</b>
<b>Cash Flows From Investing Activities</b>					
Interest received	194,530	164,704	76,926	53,448	489,608
Net cash provided (used) by investing activities	<b>194,530</b>	<b>164,704</b>	<b>76,926</b>	<b>53,448</b>	<b>489,608</b>
Net increase (decrease) in cash and cash equivalents	621,383	261,175	236,159	136,660	1,255,377
Cash and cash equivalents, July 1	3,383,079	3,024,851	1,430,737	954,134	8,792,801
Cash and cash equivalents, June 30	<b>\$ 4,004,462</b>	<b>\$ 3,286,026</b>	<b>\$ 1,666,896</b>	<b>\$ 1,090,794</b>	<b>\$ 10,048,178</b>
Cash and cash equivalents at end of year consists of:					
Unrestricted cash	\$ 3,362,702	\$ 3,118,369	\$ 1,183,285	\$ 882,225	\$ 8,546,581
Restricted cash	641,760	167,657	488,611	208,569	1,506,597
	<b>\$ 4,004,462</b>	<b>\$ 3,286,026</b>	<b>\$ 1,671,896</b>	<b>\$ 1,090,794</b>	<b>\$ 10,053,178</b>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (11,446)	\$ (344)	\$ 209,542	\$ (65,506)	\$ 132,246
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation and amortization expense	395,993	182,964	358,080	160,179	1,097,216
Noncash change in pension/benefit expense	(4,464)	(4,121)	23,784	(1,109)	14,090
Decrease (increase) in accounts receivable	(7,433)	(3,467)	(71,821)	(1,076)	(83,797)
Increase (decrease) in accounts payable	6,030	23,184	(15,829)	(42)	13,343
Increase (decrease) in customer deposits payable	(800)	-	-	-	(800)
Increase (decrease) in compensated absences	30,253	(13,529)	7,054	(10,835)	12,943
Total adjustments	<b>419,579</b>	<b>185,031</b>	<b>301,268</b>	<b>147,117</b>	<b>1,052,995</b>
Net cash provided (used) by operating activities	<b>\$ 408,133</b>	<b>\$ 184,687</b>	<b>\$ 510,810</b>	<b>\$ 81,611</b>	<b>\$ 1,185,241</b>

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

## **Notes to Financial Statements**

The notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

# Alpine City

## Notes to the Financial Statements

As of and For the Year Ended June 30, 2024

---

### Note 1 – Summary of Significant Accounting Policies

The accompanying financial statements of Alpine City have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The accompanying financial statements present the financial position of the various fund types and the results of their operations. The basic financial statements are presented for the year ended June 30, 2024

#### Reporting Entity

Alpine City was incorporated in 1855 under the laws of the State of Utah. The City is a municipal corporation governed by an elected five-member Council and Mayor. The City provides services under the following organizational structure:

General Government: Mayor and City Council, City Administrator, Justice Court, Treasurer and Recorder

Public Safety: Police, Fire and Emergency Medical Services, (through Lone Peak Public Safety District), Building Inspection, Planning and Zoning

Public Works: Streets, Water, Sewer, Garbage, Pressurized Irrigation and Storm Drains

Parks and Recreation: Parks, Cemetery and Recreation

The reporting entity is comprised of the primary government and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. The City has no component units and is not a component unit of another entity

#### Basis of Presentation

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

*Government-wide Financial Statements* – The government-wide financial statements include the statement of net position and statement of activities. These statements report financial information for the City as a whole. For the most part, the effect of interfund activity has been removed from these statements. Individual funds are not displayed but the statements distinguish governmental activities, which normally are supported by taxes and general revenues, from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

The statement of net position presents the financial position of the governmental and business-type activities of the City at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and are clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

# Alpine City

## Notes to the Financial Statements

As of and For the Year Ended June 30, 2024

---

### Note 1 – Summary of Significant Accounting Policies (Continued)

The statement of activities reports the expenses of a given function or segment offset by program revenues directly connected to the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include 1) charges to customers who directly benefit from goods or services provided by a given function or activity; 2) operating grants and contributions which finance annual operating activities, including restricted investment income; and 3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets.

For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted.

Taxes, interest, and other revenue sources not properly included with program revenues are reported as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

*Fund Financial Statements* – During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

Major individual governmental and enterprise funds are reported in separate columns with composite columns for nonmajor funds.

*Fund Accounting* – The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two types of categories: governmental and proprietary.

**Governmental Funds** – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or may not be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance.

The City reports the following major governmental funds:

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

The *capital projects fund* accounts for the acquisition or construction of major capital facilities of the City (other than those financed by proprietary funds).

**Proprietary Fund** – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

# Alpine City

## Notes to the Financial Statements

As of and For the Year Ended June 30, 2024

---

### Note 1 – Summary of Significant Accounting Policies (Continued)

The City reports the following major proprietary funds:

The *water fund* accounts for the activities of the City's water production, treatment and distribution operations.

The *sewer fund* accounts for the activities of the City's sewer treatment operations.

The *pressure irrigation fund* accounts for the activities of the City's pressurized irrigation distribution operations.

The *storm drain fund* accounts for the activities of the City's storm drain operations.

#### Measurement Focus

*Government-wide Financial Statements* – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

*Fund Financial Statements* – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

#### Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue and in the presentation of expenses versus expenditures.

*Revenues – Exchange Transactions* – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used

**Alpine City**  
**Notes to the Financial Statements**  
As of and For the Year Ended June 30, 2024

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

*Revenues – Non-exchange Transactions* – Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales tax, property tax, grants, and donations. On an accrual basis, revenue from sales tax is recognized in the period in which the taxable sale taxes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected by June 30, 2024 for property taxes and within 60 days for other non-exchange transactions) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: sales taxes, property taxes, special assessments, and federal and state grants.

*Unearned Revenue* – Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. This unearned revenue is expected to be collected in the next fiscal year.

*Expenses/Expenditures* – On the accrual basis of accounting, expenses are recognized at the time they are incurred, if measurable. On the modified accrual basis, expenditures are generally recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

*Prepaid Expenses* – Certain payment to vendors reflect costs applicable to future accounting periods and are recorded a prepaid items in both the government-wide and fund financial statements.

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity**

*Cash, Cash equivalents, and Investments*

Cash and cash equivalents include cash on hand, demand deposits with banks and other financial institutions, and deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts. The City’s investment policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the Utah Public Treasurer’s Investment Fund (Fund) and other investments allowed by the State of Utah’s Money Management Act. Investments are reported at fair value. The Fund operates in accordance with state laws and regulations. The reported value of the City’s cash in the Fund is the same as the fair value of the Fund shares.

Cash equivalents are generally considered short-term highly liquid investments with maturities of three months or less from the purchase date. Investments are recorded at fair value in accordance with GASB Statement No.72 *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

**Alpine City**  
**Notes to the Financial Statements**  
As of and For the Year Ended June 30, 2024

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

*Restricted Assets*

Cash which is restricted to a particular use due to statutory, budgetary or bonding requirements is classified as “restricted cash” on the statement of net position and on the balance sheets. Restricted cash would be spent first and then unrestricted resources would be used when the restricted funds are depleted.

*Receivables*

All trade and property tax receivables are reported net of an allowance for uncollectible amounts, where applicable.

*Interfund Balances*

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

*Capital Assets*

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds or contributions. The City reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements. Capital assets utilized by proprietary funds are reported both in the business-type activities column of the governmentwide statement of net position and in the proprietary fund’s statement of net position

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are capitalized at historical cost, if purchased and at fair market value at the date of the gift, if donated. Improvements to capital assets are capitalized. Major additions are capitalized, while maintenance and repairs which do not improve or extend the life of the respective assets are charged to expense.

All reported capital assets are depreciated except for land, rights-of-way, water rights, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City’s historical records of improvements and replacements.

Capital asset depreciation is recognized using the straight-line method over the estimated useful lives as follows:

<u>Classification</u>	<u>Range of Lives</u>
Buildings and structures	20-50 years
Improvements and infrastructure	10-50 years
Machinery, equipment and vehicles	5-15 years

*Compensated Absences*

Accumulated unpaid vacation is accrued as incurred based on the years of service for each employee. Vacation is accumulated on a monthly basis. Proprietary funds expense all accrued vacation amounts when

# Alpine City

## Notes to the Financial Statements

As of and For the Year Ended June 30, 2024

---

### Note 1 – Summary of Significant Accounting Policies (Continued)

incurred. Governmental funds report an expenditure as the vacation is paid. Compensated leave time may be accrued up to 160 hours. The accumulated sick leave is earned at a rate of one day per month. Sick pay amounts are charged to expenditures when incurred. Employees may accumulate up to 90 days of sick leave. Employees who retire are offered the choice to be paid 25% of accumulated sick leave at retirement or to have City pay the cost of the employee's health insurance for one month for every two days of sick leave until the employee can qualify for Medicare.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated absences liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only when it is due to for payment in the current fiscal year.

#### *Long-term Liabilities*

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations to these funds. Bonds are recognized as a liability in the governmental fund financial statements only when they are due for payment in the current fiscal year.

#### *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until then. The City current has deferred outflows of resources related to debt refunding and pensions.

In addition to liabilities, the statement of net position will sometimes include a separate section 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 then. The governmental funds report deferred inflows of resources related to property taxes and pensions.

#### *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 Plans (URS), including 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.

#### *Fund Equity*

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

# Alpine City

## Notes to the Financial Statements

As of and For the Year Ended June 30, 2024

---

### Note 1 – Summary of Significant Accounting Policies (Continued)

*Fund Balance* – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are divided into five categories as follows.

*Non-spendable* – Any non-spendable fund balance includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

*Restricted* – Any restricted fund balance includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

*Committed* – Any committed fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority, the Alpine City Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally (for example: resolution or ordinance).

*Assigned* – Any assigned fund balance includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the Alpine City Council or (b) a body to which the governing body has delegated the authority to assign amounts. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund that are not classified as non-spendable, restricted, or committed.

*Unassigned* – The unassigned fund balance is the residual classification for the General Fund. This designation is also used in other governmental funds to report a negative fund balance

*Net Position Flow Assumptions* – The City has established a flow assumption policy to use restricted net position first before using unrestricted net position.

*Fund Balance Flow Assumptions* – The City has established a flow assumption policy to use restricted fund balance before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, it is the City’s policy to use the fund balance in the following order: 1) Committed, 2) Assigned, and 3) Unassigned.

*Net Position* – The net position represents the difference between assets and liabilities. The net position component, net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. The net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The balance of the net position is reported as unrestricted.

### *Operating Revenues and Expenses*

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Operating expenses are necessary costs incurred to provide the good or service that

# Alpine City

## Notes to the Financial Statements

As of and For the Year Ended June 30, 2024

---

### **Note 1 – Summary of Significant Accounting Policies (Continued)**

are the primary activity of each fund. All other revenues and expenses are classified as non-operating including investment earnings, interest expense, and the gain or loss on the disposition of capital assets.

#### *Contributions of Capital*

Contributions of capital reported in proprietary fund financial statements and the government-wide financial statements arise from outside contributions of capital assets (e.g. developers), and grants or outside contributions of resources restricted to capital acquisition and construction.

#### *Inter-fund Transactions*

During the course of normal operations, the City has transactions between funds to subsidize operations in certain funds, to allocate administrative costs, to construct assets, to distribute grant proceeds, etc. These transactions are generally reflected as operating transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds.

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

#### *Estimates and Assumptions*

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

### **Note 2 – Reconciliation of Government-wide and Fund Financial Statements**

#### **Explanation of certain differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position**

The governmental fund balance sheet includes reconciliation between total governmental fund balances and of governmental activities in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets.

#### *Capital Asset Differences*

When capital assets (land, buildings, improvements and equipment) are purchased or constructed for use in governmental fund activities, the costs of those assets are reported as expenditures in the governmental funds. However, those costs are reported as capital assets in the statement of net position. The details of these differences are presented below:

**Alpine City**  
**Notes to the Financial Statements**  
As of and For the Year Ended June 30, 2024

---

**Note 2 – Reconciliation of Government-wide and Fund Financial Statements (Continued)**

Land	\$ 22,972,644
Buildings and improvements	2,667,723
Infrastructure	45,369,772
Machinery and equipment	1,821,379
Less accumulated depreciation	<u>(28,169,456)</u>
Net Capital Asset Difference	<u>\$ 44,662,062</u>

Long-Term Liability Differences

Long-Term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund balance sheet. All liabilities (both current and long-term) are reported in the statement of net position. The details of these differences are presented below:

Net pension liability	\$(106,042)
Compensated absences	(81,952)
Total long-term liability difference	<u><u>\$(187,994)</u></u>

**Explanation of certain differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities**

The governmental fund financial statements include reconciliation between changes in fund balances in the governmental funds and changes in net position in the government-wide statement of activities. This difference primarily results from the long-term economic focus of the statement of activities versus the current financial resource focus of the governmental fund financial statements.

Capital Outlay and Depreciation Differences

Capital outlays are reported as expenditures in the statement of revenues, expenditures and changes in fund balances. They are reported as capital assets, with the costs allocated over the useful lives of the assets, as depreciation, in the statement of activities. The details of these differences are reported below:

Capital Outlay	\$ 4,245,819
Depreciation Expense	<u>(1,332,559)</u>
	<u>\$ 2,913,260</u>

Long-Term Debt Issuance and Repayment Differences

The change in long-term compensated absences is not reported in the statement of revenues, expenditures and changes in fund balance. This change is reported in the statement of activities. The detail of this difference is reported below:

Change in pension benefits payable	\$ 34,366
Change in compensated absences	10,234
	<u><u>\$ 44,600</u></u>

# **Alpine City**

## **Notes to the Financial Statements**

As of and For the Year Ended June 30, 2024

---

### **Note 3 – Stewardship, Compliance and Accountability**

#### **Budgetary Information**

Prior to the first regularly scheduled meeting of the City Council in May, the Mayor and the City Manager submit to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and proposed sources of revenues.

Between May 1 and June 22, the City Council reviews and adjusts the proposed budget. On or before June 22, a public hearing is held and the budget is legally adopted through passage of a resolution, unless a property tax increase is proposed. If a property tax increase is proposed, a hearing must be held on or before August 17, which does not conflict with other taxing entities that have proposed a property tax increase. At this time the final balanced budget is adopted.

Under Utah State law, the City's budget establishes maximum legal authorization for expenditures during the fiscal year. Expenditures are not to exceed the budgeted amounts, including revisions, except as allowed by the code for certain events.

The Mayor, in conjunction with the appropriate department head, has the authority to transfer budget appropriations within and between any divisions of any budgetary fund. The City Council has the authority to transfer budget appropriations between individual budgetary funds by resolution. A public hearing must be held to increase the total appropriations of any one governmental fund type; however, after the original public hearing, operating and capital budgets of proprietary fund types may be increased by resolution without an additional hearing.

Annual budgets for the general fund, all debt service funds and capital projects funds were legally adopted by the City and prepared on the modified-accrual method of accounting. Annual budgets for the proprietary funds were legally adopted by the City and prepared on the accrual method of accounting.

Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of comparisons of actual results to budgets for the general fund and any major special revenue funds.

#### **Tax Revenues**

Property taxes are collected by the County Treasurer and remitted to the City in two to three installments in November, December, and a final settlement in the first quarter of the calendar year. Taxes are levied and are due and payable on November 1<sup>st</sup> and are delinquent after November 30<sup>th</sup> of each year, at which time they become liens if not paid. An accrual of uncollected current and prior year's property taxes beyond that which was received within 60 days after the fiscal year end has not been made, as the amounts are not deemed to be material.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual has been made for all taxes received by the State for the period ended June 30<sup>th</sup> and thus due and payable to the City.

Franchise taxes are charged to various utility companies doing business with the City including telephone, cable television, gas utility, and electric utility companies. The fees are remitted on a monthly, quarterly, or annual basis. An accrual has been made for all fees due and payable to the City at June 30<sup>th</sup>

# Alpine City

## Notes to the Financial Statements

As of and For the Year Ended June 30, 2024

---

### Note 4 – Deposits and Investments with Financial Institutions

The City follows the requirements for the Utah Money Management Act (Utah Code, Section 51, Chapter 7) in handling its depository and temporary investment transactions. This Act requires the depositing of City funds in a “qualified depository.” The Act defines a “qualified depository” as any financial institution whose deposits are insured by an agency of the federal government, and which has been certified by the Utah Commissioner of Financial Institutions as meeting the requirement of the Act and adhering to the rules of the Utah Money Management Council. Following are discussions of the City’s exposure to various risks related to its cash management activities.

#### Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City’s deposits may not be recovered. The City does not have a formal deposit policy for custodial credit risk. None of the City’s bank deposits were uninsured or uncollateralized on June 30, 2024.

#### Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City’s policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investments 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; bankers 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 in the Act.

The City is authorized to invest in the Utah Public Treasurer’s Investment Fund (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 on the participants’ average daily balances. The fair value of the City’s position in the pool is the same as the value of its pool shares. The PTIF has not been rated.

#### Interest Rate Risk

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

As of June 30, 2024 the government had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>
PTIF	\$24,164,465	less than 1 year

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those the Governmental Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset’s fair value. Level 1 inputs are quoted prices in active markets for identical assets;

**Alpine City**  
**Notes to the Financial Statements**  
As of and For the Year Ended June 30, 2024

---

**Note 4 – Deposits and Investments with Financial Institutions (Continued)**

Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City’s investments of \$24,164,465 are with the Utah PTIF as aforementioned and are considered Level 2 inputs.

The deposits and investments described above are included on the Statement of Net Position as per the following reconciliation:

Reconciliation to Government-wide Statement of Net Assets:

Deposits	Deposits	\$ 235,891
Investments	Investments	24,164,465
Cash on hand	Cash on hand	875
	<b>Total</b>	<b>\$ 24,401,231</b>
Government - Wide		
Cash and Cash Equivalents	Unrestricted	\$ 19,723,210
Restricted Cash	Restricted	4,678,021
	<b>Total</b>	<b>\$ 24,401,231</b>

**Note 5 – Receivables**

Property taxes are levied on January 1 of 2024, are due in November of 2024, and are budgeted for the 2024 fiscal year. Even though they are not intended to fund the 2024 fiscal year, they must be recognized as an asset because the City has an enforceable claim to the revenue. The property taxes that have been remitted to the City within 60 days of the end of the current fiscal period have been recognized as revenue. The uncollected, measurable amounts have been accrued as deferred revenue.

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

The following is a summary of receivables and the associated allowances for uncollectible accounts as of June 30, 2024.

	Governmental Activities	Business-type Activities	Total
Accounts Receivable	\$ 67,215	\$ 346,840	\$ 414,055
Property taxes receivable	2,659,543	-	2,659,543
Class C road receivable	153,165	-	153,165
Sales Tax Receivable	340,924	-	340,924
Arts & Zoo Receivable	18,808	-	18,808
Franchise Tax Receivable	64,243	-	64,243
Mass Transit Tax Receivable	32,875	-	32,875
Allowance for Uncollectible Accounts	-	(1,896)	(1,896)
Net receivables	<u>\$ 3,336,773</u>	<u>\$ 344,944</u>	<u>\$ 3,681,717</u>

**Note 6 – Capital Assets**

Capital Asset activity for the year ended June 30, 2024 was as follows:

**Alpine City**  
**Notes to the Financial Statements**  
As of and For the Year Ended June 30, 2024

	<u>June 30, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2024</u>
<b>Governmental Assets</b>				
<b>Assets not Depreciated</b>				
Land	\$ 22,775,044	\$ 197,600	\$ -	\$ 22,972,644
<b>Assets Being Depreciated</b>				
Building & Improvements	2,106,643	561,080	-	2,667,723
Infrastructure	41,979,633	3,390,139	-	45,369,772
Machinery & Equipment	1,724,379	97,000	-	1,821,379
<b>Total Governmental Assets</b>	<b>68,585,699</b>	<b>4,245,819</b>	<b>-</b>	<b>72,831,518</b>
<b>Accumulated Depreciation</b>				
Building and Improvements	(1,289,066)	(59,843)	-	(1,348,909)
Infrastructure	(24,565,607)	(1,185,742)	-	(25,751,349)
Machinery & Equipment	(982,224)	(86,974)	-	(1,069,198)
<b>Total Accumulated Depreciation</b>	<b>(26,836,897)</b>	<b>(1,332,559)</b>	<b>-</b>	<b>(28,169,456)</b>
<b>Net Governmental Capital Assets</b>	<b>\$ 41,748,802</b>			<b>\$ 44,662,062</b>
<b>Business-Type Assets</b>				
<b>Assets not Depreciated</b>				
Land	\$ 456,127	\$ -	\$ -	\$ 456,127
Water shares	73,400	-	-	73,400
<b>Assets Being Depreciated</b>				
Buildings & improvements	215,074	-	-	215,074
Improvements and Infrastructure	48,350,022	1,093,059	-	49,443,081
Machinery & Equipment	1,962,693	44,178	-	2,006,871
<b>Total Business-Type Assets</b>	<b>51,057,316</b>	<b>1,137,237</b>	<b>-</b>	<b>52,194,553</b>
<b>Accumulated Depreciation</b>				
Buildings & Improvements	(181,660)	(3,637)	-	(185,297)
Improvement & Infrastructure	(16,387,720)	(990,038)	-	(17,377,758)
Machinery & Equipment	(1,145,692)	(103,541)	-	(1,249,233)
<b>Total Accumulated Depreciation</b>	<b>(17,715,072)</b>	<b>(1,097,216)</b>	<b>-</b>	<b>(18,812,288)</b>
<b>Net Business-Type Capital Assets</b>	<b>\$ 33,342,244</b>			<b>\$ 33,382,265</b>

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

<b>Governmental</b>		<b>Business-type</b>	
General Government	\$ 246,317	Water	\$ 395,993
Public Safety	845,829	Sewer	182,964
Highways and Public Improvements	233,798	Storm drain	160,179
Parks and recreation	6,615	Municipal building	358,080
	<b>\$ 1,332,559</b>		<b>\$ 1,097,216</b>

**Alpine City**  
**Notes to the Financial Statements**  
As of and For the Year Ended June 30, 2024

---

**Note 7 – Long Term Debt**

Long-term liability transactions for the fiscal year ended June 30, 2024, were as follows:

Type of Debt	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024	Due within one year
<b>Governmental</b>					
Compensated absences	\$ 116,318	\$ -	\$ (34,366)	\$ 81,952	\$ 10,438
<b>Business-Type Activities:</b>					
Compensated absences	\$ 43,283	\$ -	\$ (40,289)	\$ 2,994	\$ 58,643
Revenue bonds					
2010 Water bond	\$ 2,528,000		\$ (352,000)	\$ 2,176,000	\$ 352,000
	<b>\$ 2,528,000</b>	<b>\$ -</b>	<b>\$ (352,000)</b>	<b>\$ 2,176,000</b>	<b>\$ 352,000</b>

Details of long-term debt for business-type activities consists of the following:

*Notes and bonds payable*

**2010 Water Revenue Bonds**

\$5,875,000 bond payable, due in various annual installments, including interest at 1.33%, through October 2029.

\$ 2,181,000
<b>\$ 2,181,000</b>

All revenue bonds are secured and collateralized by their respective future revenue streams.

The following is a summary of the annual payments to maturity for the business-type revenue bonds:

Year Ending June 30	Business-type Activities Bonds Payable	
	Principal	Interest
2025	\$ 352,000	\$ 26,667
2026	356,000	21,958
2027	361,000	17,190
2028	366,000	12,356
2029	370,000	7,461
2029-2033	376,000	2,500
Total	<b>\$2,181,000</b>	<b>\$ 88,132</b>

**Note 8 – Fund Equity**

Restricted net positions represents amounts required to be maintained to satisfy third party agreements or legal requirements. On June 30, 2024 the City's enterprise funds held \$1,506,597 restricted for impact fees.

# Alpine City

## Notes to the Financial Statements

As of and For the Year Ended June 30, 2024

---

### Note 8 – Fund Equity (Continued)

Pursuant to GASB No. 54 (see Note 1, *Net Position*) the governmental fund balances are classified as follows:

*Restricted fund balance* - \$2,238,498 for future roads, parks, and impact fees.  
*Assigned fund balance* - \$5,965,041 for future capital projects  
*Non-spendable* - \$960,070 for future operating costs for the cemetery.

### Note 9 – Pension Plans

*General information about the Pension Plan*

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

#### Defined Benefit Plans

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

The **Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System)** is a multiple employer, cost sharing, public retirement systems.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have not previous 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 in writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: [www.urs.org/general/publications](http://www.urs.org/general/publications).

#### Summary of Benefits by System

*Benefits provided:* URS provides retirement, disability, and death benefits.

Retirement benefits are as follows:

# Alpine City

## Notes to the Financial Statements

### As of and For the Year Ended June 30, 2024

#### Note 9 – Pension Plans (Continued)

Summary of Benefits by System

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%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

\* Actuarial reductions are applied.

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

#### 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 state 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, 2024 are as follows:

	Employee	Employer	Employer 401(k) Plan
Contributory System			
111-Local Government Division Tier 2	-	16.01%	0.18%
Noncontributory System			
15-Local Government Division Tier 1	-	17.97%	-
Tier 2 DC Only			
211-Local Government	-	6.19%	10.00%

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

For fiscal year ended June 30, 2024, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 112,751	-
Tier 2 Public Employees System	67,858	-
<b>Total Contributions</b>	<b>\$ 180,609</b>	<b>\$ -</b>

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.

**Alpine City**  
**Notes to the Financial Statements**  
As of and For the Year Ended June 30, 2024

---

**Note 9 – Pension Plans (Continued)**

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, 2024, we reported a net pension asset of \$199,741 and net pension liability of \$0.

	(Measurement Date): December 31, 2023				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2022	Change (Decrease)
Noncontributory System	\$ -	\$ 167,093	0.0720037%	0.0741661%	-0.0021296%
Tier 2 Public Employees System	-	32,648	0.0167734%	0.0163762%	0.0003972%
<b>Total Net Pension Asset / Liability</b>	<b>\$ -</b>	<b>\$ 199,741</b>			

The net pension asset and liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 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, 2024, we recognized pension expense of \$154,716.

At June 30, 2024 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	\$ 127,457	\$ 535
Changes in assumptions	68,828	26
Net difference between projected and actual earnings on pension plan investments	58,024	-
Changes in proportion and differences between contributions and proportionate share of contributions	4,508	1,127
Contributions subsequent to the measurement date	79,504	-
<b>Total</b>	<b>\$ 338,321</b>	<b>\$ 1,688</b>

\$79,504 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, 2023.

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:

**Alpine City**  
**Notes to the Financial Statements**  
As of and For the Year Ended June 30, 2024

---

**Note 9 – Pension Plans (Continued)**

Year Ended December 31,	Deferred Outflows (inflows) of Resources
2024	\$ 76,154
2025	\$ 73,400
2026	\$ 109,705
2027	\$ (20,354)
2028	\$ 3,344
Thereafter	\$ 14,881

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

For the year ended June 30, 2024, we recognized pension expense of \$112,046.

At June 30, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 117,001	-
Changes in assumptions	50,141	-
Net difference between projected and actual earnings on pension plan investments	54,337	-
Changes in proportion and differences between contributions and proportionate share of contributions	155	266
Contributions subsequent to the measurement date	48,592	-
Total	<u>\$ 270,226</u>	<u>\$ 266</u>

\$48,592 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, 2023.

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

Year Ended December 31,	Deferred Outflows (inflows) of Resources
2024	\$ 73,044
2025	\$ 68,989
2026	\$ 102,158
2027	\$ (22,822)
2028	\$ -
Thereafter	\$ -

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

For the year ended June 30, 2024, we recognized pension expense of \$42,670.

**Alpine City**  
**Notes to the Financial Statements**  
As of and For the Year Ended June 30, 2024

---

**Note 9 – Pension Plans (Continued)**

At June 30, 2024, 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	\$ 10,457	\$ 535
Changes in assumptions	18,687	26
Net difference between projected and actual earnings on pension plan investments	3,687	-
Changes in proportion and differences between contributions and proportionate share of contributions	4,353	861
Contributions subsequent to the measurement date	30,912	-
Total	<u>\$ 68,096</u>	<u>\$ 1,422</u>

\$30,912 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, 2023.

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

Year Ended December 31,	Deferred Outflows (inflows) of Resources
2024	\$ 73,044
2025	\$ 68,989
2026	\$ 102,158
2027	\$ (22,822)
2028	\$ -
Thereafter	\$ -

**Actuarial Assumptions**

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation 2.50 Percent
- Salary Increase 3.25-9.75 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, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-219 improvement assumption using a base year of 2020. The mortality assumption for active members is the

**Alpine City**  
**Notes to the Financial Statements**  
As of and For the Year Ended June 30, 2024

---

**Note 9 – Pension Plans (Continued)**

PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2022, valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of the economic assumptions as of January 1, 2021.

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 investments expense and inflation) are 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	Allocation	Expected Return Arithmetic Basis	
		Real Return Arithmetic	Long-Term expected portfolio real rate of return
Equity securities	35%	6.87%	2.40%
Debt securities	20%	1.54%	0.31%
Real assets	18%	5.43%	0.98%
Private equity	12%	9.80%	1.18%
Absolute return	15%	3.86%	0.58%
Cash and cash equivalents	0%	0.24%	0.00%
<b>Totals</b>	<b>100%</b>		<b>5.45%</b>
		Inflation	2.50%
		<b>Expected arithmetic nominal return</b>	<b>7.95%</b>

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 flow 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-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

**Alpine City**  
**Notes to the Financial Statements**  
As of and For the Year Ended June 30, 2024

---

**Note 9 – Pension Plans (Continued)**

System	1% Decrease 5.85%	Discount Rate 6.85%	1% Increase 7.85%
Noncontributory System	\$ 867,206	\$ 167,093	\$ (419,203)
Tier 2 Public Employees System	112,172	32,647	(29,024)
<b>Total</b>	<b>\$ 979,378</b>	<b>\$ 199,740</b>	<b>\$ (448,227)</b>

\*\*\* Pension plan fiduciary net position: Detailed information about the pension plans 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.

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

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

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

	2024	2023	2022
<b>401(k) Plan</b>			
Employer Contributions	\$ 196,139	\$ 157,979	\$ 131,731
Employee Contributions	\$ -	\$ -	\$ -
<b>457 Plan</b>			
Employer Contributions	\$ 10,783	\$ -	\$ -
Employee Contributions	\$ -	\$ 7,575	\$ -
<b>Roth IRA Plan</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 91,710	\$ 76,514	\$ 61,278

**Note 10 – Risk Management**

Alpine City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City joined together with other governments in the State of Utah to form the Utah Local Governments Trust (ULGT), a public entity risk pool currently operating as a common risk management and insurance program for Utah State governments. The City pays an annual premium to ULGT for its general insurance coverage.

The City also carries comprehensive general liability insurance coverage through a commercial insurance company. Settled claims from this risk type have not exceeded coverage in any of the past three fiscal years.

**Alpine City**  
**Notes to the Financial Statements**  
As of and For the Year Ended June 30, 2024

---

**Note 11 – Rounding Convention**

A rounding convention to the nearest whole dollar has been applied throughout this report, therefore the precision displayed in any monetary amount is plus or minus \$1.

**Note 12 – Subsequent Events**

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through October 31, 2024 the date the financial statements were available to be issued.

Intentionally left blank

**Alpine City**  
**Notes to the Required Supplementary**  
For the Year Ended June 30, 2024

**Budgetary Comparison Schedule**

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

**Budgeting and Budgetary Control**

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

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

**Current Year Excess of Expenditures over Appropriations**

No General Fund departmental budgets were exceeded during the fiscal year. Also, the overall General Fund budget was not exceeded for the fiscal year.

**Changes in Assumptions Related To Pensions**

Changes include updates to the mortality improvement assumption, salary increase assumption, disability incidence assumption, assumed retirement rates, and assumed termination rates, as recommended with the January 1, 2023 actuarial experience study.

Intentionally left blank

# Alpine City

## Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
<b>REVENUES</b>				
Taxes				
Sales taxes	\$ 2,000,000	\$ 2,000,000	\$ 2,140,841	\$ 140,841
Property taxes	2,604,000	2,604,000	2,911,730	307,730
Franchise taxes	1,020,000	1,020,000	1,061,939	41,939
Mass transit taxes	120,000	120,000	202,164	82,164
Licenses and permits	655,000	655,000	415,462	(239,538)
Intergovernmental revenue	727,150	727,150	854,607	127,457
Charges for services	786,266	841,266	852,294	11,028
Fines and forfeitures	49,000	49,000	85,587	36,587
Interest income	61,000	61,000	251,683	190,683
Miscellaneous	250,500	250,500	249,584	(916)
Total revenues	<b>8,272,916</b>	<b>8,327,916</b>	<b>9,025,891</b>	<b>697,975</b>
<b>EXPENDITURES</b>				
Current:				
General government	1,763,550	1,857,450	1,238,307	(619,143)
Public safety	2,861,082	2,881,782	2,826,708	(55,074)
Streets	3,108,600	3,108,600	3,027,278	(81,322)
Parks & Recreation	514,000	514,600	436,236	(78,364)
Cemetery	193,700	194,700	194,548	(152)
Garbage	657,650	712,650	707,696	(4,954)
Total expenditures	<b>9,098,582</b>	<b>9,269,782</b>	<b>8,430,773</b>	<b>(839,009)</b>
Excess revenues over (under) expenditures	<b>(825,666)</b>	<b>(941,866)</b>	<b>595,118</b>	<b>1,536,984</b>
<b>Other financing sources (uses)</b>				
Beginning fund balance				-
Transfers in	(239,502)	(2,162,502)	(750,000)	(1,412,502)
Total other financing sources and uses	<b>(239,502)</b>	<b>(2,162,502)</b>	<b>(750,000)</b>	<b>(1,412,502)</b>
Excess of revenues and other sources over (under) expenditures and other uses	<b>\$ (1,065,168)</b>	<b>\$ (3,104,368)</b>	<b>(154,882)</b>	<b>\$ (3,259,250)</b>
Fund balances - beginning of year			3,847,345	
Fund balances - end of year			<b>\$ 3,692,463</b>	

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

**Alpine City**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**Utah Retirement Systems**  
**For the Year Ended June 30, 2024**  
**Last 10 Fiscal Years\***

As of fiscal year ended June 30,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of its covered employee payroll
<b>Noncontributory System</b>					
2024	0.0729627%	\$ 169,242	\$ 574,447	29.46%	96.90%
2023	0.0607796%	104,100	417,688	24.92%	97.50%
2022	5.7686600%	(330,377)	377,370	-87.55%	108.70%
2021	0.0598456%	30,697	418,487	7.34%	99.20%
2020	0.0627981%	236,678	456,516	51.84%	93.70%
2019	0.0636569%	468,752	458,229	102.30%	87.00%
2018	0.0587781%	257,524	428,491	60.10%	91.90%
2017	0.0583695%	374,804	450,218	83.25%	87.30%
2016	0.0555285%	314,207	405,922	77.41%	87.80%
2015	0.0494244%	214,612	363,038	59.10%	90.20%
<b>Tier 2 Public Employees System*</b>					
2024	0.014213%	27,664	367,460	7.53%	89.58%
2023	0.020628%	22,642	450,895	4.98%	92.30%
2022	2.396370%	(10,142)	445,097	-2.28%	103.80%
2021	0.024510%	3,525	391,633	0.90%	98.30%
2020	0.025559%	5,748	355,395	1.62%	96.50%
2019	0.024751%	2,182	424,465	0.90%	97.40%
2018	0.022127%	2,468	181,457	1.36%	95.10%
2017	0.031485%	(69)	203,382	-0.03%	100.20%
2016	0.035973%	(1,090)	176,450	-6.00%	103.50%
2015	0.081026%	(38)	113,498	-0.03%	100.20%

\* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension

**Alpine City**  
**Schedule of Contributions**  
**Utah Retirement Systems**  
**For the Year Ended June 30, 2024**  
**Last 10 Fiscal Years\***

As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions to Relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
<b>Noncontributory System</b>					
2016	\$ 79,330	\$ 79,330	\$ -	\$ 494,582	16.04%
2017	78,860	78,860	-	474,145	16.63%
2018	76,939	76,939	-	435,690	17.66%
2019	83,411	83,411	-	448,202	18.61%
2020	81,374	81,374	-	635,961	12.80%
2021	70,322	70,322	-	391,755	17.95%
2022	68,264	68,264	-	374,787	18.21%
2023	93,772	93,772	-	509,948	18.39%
2024	104,640	104,640	-	587,872	17.80%
<b>Tier 2 Public Employees System*</b>					
2016	28,838	28,838	-	216,329	13.33%
2017	32,391	32,391	-	236,683	13.69%
2018	39,264	39,264	-	259,434	15.13%
2019	55,751	55,751	-	358,761	15.54%
2020	54,487	54,487	-	347,118	15.70%
2021	65,932	65,932	-	422,185	15.62%
2022	77,394	77,394	-	477,486	16.21%
2023	65,747	65,747	-	410,664	16.01%
2024	61,285	61,285	-	382,792	16.01%
<b>Tier 2 Public Employees DC Only System*</b>					
2016	3,373	3,373	-	57,908	5.82%
2017	4,598	4,598	-	74,716	6.15%
2018	6,373	6,373	-	95,906	6.65%
2019	5,570	5,570	-	83,847	6.64%
2020	8,200	8,200	-	125,058	6.56%
2021	10,031	10,031	-	149,948	6.69%
2022	11,992	11,992	-	179,246	6.69%
2023	20,381	20,381	-	329,265	6.19%
2024	30,191	30,191	-	487,743	6.19%

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

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. The schedule above is only for the past 9 years. Contributions as a percentage of covered payroll may be different than the board certified rate due to rounding and other administrative practices.

## **Supplementary Information**

**Alpine City**  
**Combining Balance Sheet – Nonmajor Governmental Funds**  
As of June 30, 2024

---

	Special Revenue	Permanent Fund	Total Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Restricted cash	\$ 1,121,929	\$ 932,926	\$ 2,054,855
Total assets	<u>1,121,929</u>	<u>932,926</u>	<u>2,054,855</u>
 Liabilities, Deferred Inflows and Fund Balances:			
Restricted	1,121,929		1,121,929
Non-spendable		932,926	932,926
Total fund balances	<u>1,121,929</u>	<u>932,926</u>	<u>2,054,855</u>
Total liabilities and fund balances	<u>\$ 1,121,929</u>	<u>\$ 932,926</u>	<u>\$ 2,054,855</u>

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

**Alpine City**  
**Combining Statement of Revenues, Expenditures, and Change in Fund Balance**  
**Nonmajor Governmental Funds**  
For the Year Ended June 30, 2024

	Special Revenue	Permanent Fund	Total Governmental Funds
<b>REVENUES</b>			
Intergovernmental revenue	\$ -	\$ 820	\$ 820
Interest income	56,823	41,179	98,002
Charges for services	-	155,156	155,156
Miscellaneous	5,376	-	5,376
Total revenues	<u>62,199</u>	<u>197,155</u>	<u>259,354</u>
<b>EXPENDITURES</b>			
Current:			
Cemetery	-	10,200	10,200
Total expenditures	<u>-</u>	<u>10,200</u>	<u>10,200</u>
Excess revenues over (under) expenditures	<u>62,199</u>	<u>186,955</u>	<u>249,154</u>
Excess of revenues and other sources over (under) expenditures and other uses	62,199	186,955	249,154
Fund balances - beginning of year	1,059,730	745,971	1,805,701
Fund balances - end of year	<u>\$ 1,121,929</u>	<u>\$ 932,926</u>	<u>\$ 2,054,855</u>

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

## **Additional Reports**

### Additional Auditor's Reports

- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
- Independent Auditor's Report on Compliance and Report on Internal Control Over Compliance as Required by the State Compliance Audit Guide.

Intentionally left blank



## **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**

City Council Members  
Alpine City  
Alpine , 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 Alpine City, Utah, as of and for the year ended June 30 2024, and the related notes to the financial statements, which collectively comprise Alpine City's basic financial statements and have issued our report thereon dated October 31, 2024.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Alpine City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstance for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alpine City's internal control. Accordingly, we do not express an opinion on the effectiveness of Alpine 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 Alpine City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

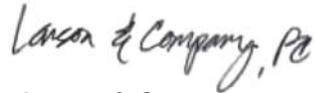
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

### ***Report on Compliance and Other Matters***

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

### **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 Alpine City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Larson & Company

Spanish Fork, Utah

October 31, 2024



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

To the City Council Members  
Alpine City  
Alpine , Utah

**Report on Compliance**

We have audited Alpine City's compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2024.

State compliance requirements were tested for the year ended June 30, 2024 in the following areas:

Annual Procedures:

Budgetary Compliance	Restricted Taxes and Related Revenues
Fund Balance	Fraud Risk Assessment
Government Fees	Justice Courts
Cash Management	Impact Fees
Utah Retirement Systems	Public Treasurer's Bond
Open and Public Meetings Act	

***Opinion on Compliance***

In our opinion, Alpine City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2024.

***Basis for Opinion***

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

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

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

## **Report On Internal Control over Compliance**

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

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

a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

*Larson & Company, PC*

Larson & Company, PC

Spanish Fork, Utah  
October 31, 2024