

City of Woodland Hills

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2025

City of Woodland Hills
TABLE OF CONTENTS

June 30, 2025

	Beginning on page
INDEPENDENT AUDITOR'S REPORT	<u>1</u>
MANAGEMENT DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	13
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Position - Proprietary Funds	22
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24
Notes to Financial Statements	26
REQUIRED SUPPLEMENTARY INFORMATION	45
Notes to Required Supplementary Information	47
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	48
Schedule of the Proportionate Share of the Net Pension Liability	49
Schedule of Contributions	50
OTHER COMMUNICATIONS	
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>	51
Independent Auditor's Report on Compliance and Report on Internal Control over Compliance as Required by <i>the State Compliance Audit Guide</i>	53

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
City Council Members
Woodland Hills City
Woodland Hills, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Woodland Hills City, Utah as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Woodland Hills 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Woodland Hills City, as of June 30, 2025, 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 (GAS)*, 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 Woodland Hills 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 Woodland Hills 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 and GAS 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, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, 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 Woodland Hills 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 Woodland Hills 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2025 on our consideration of Woodland Hills 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 solely 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 Woodland Hills City's internal control over financial reporting and compliance.



Larson & Company, PC
Spanish Fork, Utah
December 3, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

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City of Woodland Hills
Management's Discussion and Analysis
June 30, 2025

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

FINANCIAL HIGHLIGHTS

*Total net position for the City as a whole increased by \$869,233

*Total unrestricted net position for the City as a whole decreased by \$197,830

*Total net position for governmental activities increased by \$829,219

*Total net position for business-type activities increased by \$40,014

BASIC FINANCIAL STATEMENTS

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

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

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

The *statement of activities* presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statement of activities is presented on two pages. The first page reports the extent to which each function or program is self-supporting through fees and intergovernmental aid. The second page identifies the general revenues of the City available to cover any remaining costs of the functions or programs.

City of Woodland Hills
Management's Discussion and Analysis
June 30, 2025

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

Governmental funds. These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

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

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

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are reported later in this report; see Table of Contents.

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

City of Woodland Hills
Management's Discussion and Analysis
June 30, 2025

FINANCIAL ANALYSIS

City of Woodland Hill's Net Position

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Current and other assets	\$ 4,212,716	3,907,793	2,146,465	2,379,173	6,359,181	6,286,966
Net capital assets	11,598,622	11,453,364	6,650,174	5,988,647	18,248,796	17,442,011
Deferred outflows of resources	40,120	41,416	60,181	62,124	100,301	103,540
Total assets and deferred outflows	15,851,458	15,402,573	8,856,819	8,429,944	24,708,278	23,832,517
Long-term debt outstanding	1,732,395	1,873,818	3,253,383	3,341,000	4,985,778	5,214,818
Other liabilities	535,929	738,001	642,077	167,117	1,178,006	905,118
Deferred inflows of resources	1,064,081	1,100,921	185	666	1,064,266	1,101,587
Total liabilities and deferred inflows	3,332,405	3,712,740	3,895,644	3,508,783	7,228,049	7,221,522
Net position:						
Net investment in capital assets	9,866,227	9,579,546	3,396,791	2,647,647	13,263,018	12,227,193
Restricted	-	-	133,456	102,217	133,456	102,217
Unrestricted	2,652,826	2,110,288	1,430,928	2,171,297	4,083,755	4,281,585
Total net position	\$ 12,519,053	11,689,834	4,961,175	4,921,162	17,480,228	16,610,995

As noted earlier, net position may serve over time as a useful indicator of financial position. Total assets and deferred outflows of resources exceeded total liabilities and deferred inflow of resources at the close of the year by \$17,480,228, an increase of \$869,233 from the previous year. This change is equivalent to the net income for the year, in private sector terms.

Total unrestricted net position at the end of the year are \$4,083,755 which represents a decrease of \$197,830 from the previous year. Unrestricted net position are those resources available to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

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

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

City of Woodland Hills
Management's Discussion and Analysis
June 30, 2025

City of Woodland Hill's Change in Net Position

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Program revenues:						
Charges for services	\$ 663,755	386,521	1,042,603	938,601	1,706,358	1,325,122
Operating grants	165,941	109,243	-	-	165,941	109,243
Capital grants	213,143	-	63,859	57,251	277,002	57,251
General revenues:						
Property taxes	1,085,721	1,055,407	-	-	1,085,721	1,055,407
Sales tax	284,741	280,504	-	-	284,741	280,504
Other taxes	165,973	167,296	-	-	165,973	167,296
Other revenues	303,274	278,100	74,609	72,133	377,883	350,233
Total revenues	2,882,548	2,277,071	1,181,071	1,067,985	4,063,619	3,345,055
Expenses:						
General government	605,918	564,440	-	-	605,918	564,440
Public safety	658,787	523,652	-	-	658,787	523,652
Streets and public works	684,050	625,429	-	-	684,050	625,429
Culture and recreation	44,572	42,342	-	-	44,572	42,342
Interest on long-term debt	60,001	7,153	-	-	60,001	7,153
Water	-	-	1,039,443	773,062	1,039,443	773,062
Sewer	-	-	101,615	105,929	101,615	105,929
Total expenses	2,053,328	1,763,016	1,141,057	878,991	3,194,386	2,642,007
Change in net position	\$ 829,220	514,055	40,014	188,994	869,233	703,048

For the City as a whole, total revenues increased by \$718,564 compared to the previous year, while total expenses increased by \$552,379. The total net change of \$869,233 is, in private sector terms, the net income for the year which is \$166,185 more than the previous year.

Governmental activities revenues of \$2,882,548 is an increase of \$605,477 from the previous year. This is primarily due to an increase in capital grants and charges for services. Governmental activities expenses of \$2,053,328 is an increase of \$290,312 from the previous year. Expenses across all departments increased during the year.

Business-type activities revenue of \$1,181,071 is an increase of \$113,086 from the previous year. Service revenues increased by \$104,002 and capital grants increased by \$6,608. Business-type activities expenses of \$1,141,057 is an increase of \$262,066 from the previous year. This is due to an overall increase in operation expenses.

City of Woodland Hills
Management's Discussion and Analysis
June 30, 2025

BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

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

General Fund

The fund balance of \$946,918 reflects an increase of \$176,664 from the previous year. Total revenues increased by \$410,746. Tax revenues, including property taxes and sales taxes, increased by \$33,229. Intergovernmental revenue increased by \$94,680. Revenues from charges for services increased by \$247,859. All other revenues increased by \$34,978.

Total expenditures increased by \$223,100. General government expenditures increased by \$6,006, public safety expenditures increased by \$106,612, streets and public works expenditures increased by \$85,491, and parks and recreation expenditures decreased by \$6,434. Debt service expenditures increased by \$31,426.

There are no restrictions on fund balance. The unassigned fund balance amounts to \$946,918.

Water Fund

Net operating loss for the year was \$112,586, compared to the previous year net operating income of \$70,055. The change in net position (net income) was \$10,590, which was \$156,769 less than the prior year's change in net position. Net investment in capital assets was \$3,396,791. Net position restricted for construction is \$133,456. Unrestricted net position amounts to \$1,374,349.

Sewer Fund

Net operating income for the year was \$34,035. The change in net position (net income) was \$29,423. Unrestricted net position amounts to \$56,579.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues for the current year, exclusive of transfers and fund balance appropriations, were originally budgeted in the amount of \$2,216,295. This amount was amended in the final budget to \$2,424,100. Actual revenues, excluding transfers, amounted to \$2,616,578.

Expenditures for the current year, excluding transfers and budgeted increases in fund balance, were originally budgeted in the amount of \$2,164,545. This amount was amended in the final budget to \$2,108,797. Actual expenditures amounted to \$2,075,141.

Transfers out for the year were originally budgeted in the amount of \$36,000. The final budget for transfers out was for the amount of \$379,303. Actual transfers out were made in the amount of \$584,303.

City of Woodland Hills
Management's Discussion and Analysis
June 30, 2025

CAPITAL ASSETS AND DEBT ADMINISTRATION

City of Woodland Hill's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Capital Assets:						
Land and water rights	\$ 5,692,198	5,692,198	497,951	497,951	6,190,149	6,190,149
Buildings	1,540,426	1,540,426	-	-	1,540,426	1,540,426
Improvements	2,482,605	2,461,226	-	-	2,482,605	2,461,226
Machinery and equipment	1,598,238	1,541,776	382,511	382,511	1,980,749	1,924,287
Infrastructure	3,774,920	3,774,920	8,269,506	8,269,506	12,044,425	12,044,425
Right of use leases	128,722	-	64,361	-	193,082	-
Construction in progress	319,450	-	868,719	-	1,188,169	-
Total capital assets	15,536,558	15,010,547	10,083,048	9,149,968	25,619,605	24,160,514
Less accumulated depreciation	(3,937,936)	(3,557,182)	(3,432,874)	(3,161,320)	(7,370,810)	(6,718,503)
Net capital assets	\$ 11,598,622	11,453,364	6,650,174	5,988,647	18,248,796	17,442,012

The total amount of capital assets, net of depreciation, of \$18,248,796 is an increase of \$806,784 from the previous year.

Governmental activities capital assets, net of depreciation, of \$11,598,622 is an increase of \$145,258 from the previous year.

Business-type activities capital assets, net of depreciation, of \$6,650,174 is an increase of \$661,527 from the previous year.

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

City of Woodland Hills
Management's Discussion and Analysis
June 30, 2025

City of Woodland Hill's Outstanding Debt

	Current Year	Previous Year
Governmental activities:		
2019 Sales Tax Refunding Bond	\$ 780,000	867,000
2020 Class C Road Revenue Bond	316,000	374,000
2023 Snowplow Lease 31128	32,087	62,501
2023 Snowplow Lease 31129	32,087	62,501
2024 Wheeler Loader (Snowplow) Lease	33,971	-
2024 Wheeler Loader (Streets) Lease	33,971	-
2025 Service Truck (Snowplow) Lease	22,411	-
2025 Service Truck (Streets) Lease	22,411	-
2024 Fire Chief Truck	55,391	64,271
2024 Fire Engine	392,110	431,591
Total governmental	\$ 1,720,441	1,861,864
Business-type activities:		
2014 Water Revenue Bond	\$ 525,000	570,000
2024 Wheeler Loader (Water) Lease	33,971	-
2025 Service Truck (Water) Lease	22,411	-
2021 Water Revenue Bond	2,672,000	2,771,000
Total governmental	\$ 3,253,383	3,341,000
Total outstanding debt	\$ 4,973,824	5,202,864

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Woodland Hills City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

City of Woodland Hills
Attn: Financial Director
200 S. Woodland Hills Drive
Woodland Hills, Utah 84653

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BASIC FINANCIAL STATEMENTS

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City of Woodland Hills
STATEMENT OF NET POSITION

June 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Current assets:			
Cash and cash equivalents	\$ 2,947,086	1,911,493	4,858,579
Accounts receivable, net	1,265,630	101,516	1,367,146
Total current assets	<u>4,212,716</u>	<u>2,013,009</u>	<u>6,225,725</u>
Non-current assets:			
Restricted cash and cash equivalents	-	133,456	133,456
Capital assets:			
Not being depreciated	6,011,647	1,366,670	7,378,318
Net of accumulated depreciation	5,586,974	5,283,504	10,870,478
Total non-current assets	<u>11,598,622</u>	<u>6,783,630</u>	<u>18,382,251</u>
Total assets	<u>15,811,338</u>	<u>8,796,638</u>	<u>24,607,977</u>
Deferred outflows of resources - pensions	40,120	60,181	100,301
Total assets and deferred outflows of resources	<u>\$ 15,851,458</u>	<u>8,856,819</u>	<u>24,708,278</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 69,030	559,238	628,268
Accrued liabilities	30,391	-	30,391
Customer security deposits	393,870	26,742	420,612
Accrued interest payable	14,196	13,434	27,630
Long-term debt due within one year	274,393	149,734	424,127
Total current liabilities	<u>781,880</u>	<u>749,147</u>	<u>1,531,028</u>
Non-current liabilities:			
Net pension liability	28,442	42,663	71,105
Long-term debt due after one year	<u>1,458,002</u>	<u>3,103,649</u>	<u>4,561,651</u>
Total non-current liabilities	<u>1,486,444</u>	<u>3,146,312</u>	<u>4,632,756</u>
Total liabilities	<u>2,268,324</u>	<u>3,895,459</u>	<u>6,163,783</u>
Deferred inflows of resources:			
Grants	51,376	-	51,376
Property taxes	1,012,581	-	1,012,581
Pensions	124	185	309
Total deferred inflows of resources	<u>1,064,081</u>	<u>185</u>	<u>1,064,266</u>
Total liabilities and deferred inflows of resources	<u>3,332,405</u>	<u>3,895,644</u>	<u>7,228,049</u>
NET POSITION:			
Net investment in capital assets	9,866,227	3,396,791	13,263,018
Restricted for:			
Construction and impact fees	-	133,456	133,456
Unrestricted	2,652,826	1,430,928	4,083,755
Total net position	<u>12,519,053</u>	<u>4,961,175</u>	<u>17,480,228</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 15,851,458</u>	<u>8,856,819</u>	<u>24,708,278</u>

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

City of Woodland Hills
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue (To Next Page)
<u>FUNCTIONS/PROGRAMS:</u>				
Primary government:				
Governmental activities:				
General government	\$ 605,918	123,883	-	(482,035)
Public safety	658,787	(2,767)	25,000	(636,554)
Streets and public works	684,050	516,339	134,049	213,143
Parks, recreation and public property	44,572	26,300	6,892	(11,381)
Interest on long-term debt	60,001	-	-	(60,001)
Total governmental activities	2,053,328	663,755	165,941	213,143
Business-type activities:				
Water	1,039,443	906,953	-	68,471
Sewer	101,615	135,650	-	(4,612)
Total business-type activities	1,141,057	1,042,603	-	63,859
Total primary government	\$ 3,194,386	1,706,358	165,941	277,002
				(1,045,085)

(continued on next page)

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

City of Woodland Hills
STATEMENT OF ACTIVITIES (continued)
For the Year Ended June 30, 2025

	Governmental Activities	Business-type Activities	Total
CHANGES IN NET POSITION:			
Net (expense) revenue (from previous page)	\$ (1,010,489)	(34,596)	(1,045,085)
General revenues:			
Property taxes	1,085,721	-	1,085,721
Sales tax	284,741	-	284,741
Other taxes	165,973	-	165,973
Unrestricted investment earnings	183,763	74,609	258,372
Gain (loss) from sale of capital assets	90,809	-	90,809
Miscellaneous	28,702	-	28,702
Total general revenues	1,839,709	74,609	1,914,318
Change in net position	829,220	40,014	869,233
Net position - beginning	<u>11,689,834</u>	<u>4,921,162</u>	<u>16,610,995</u>
Net position - ending	<u>\$ 12,519,053</u>	<u>4,961,175</u>	<u>17,480,228</u>

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

City of Woodland Hills
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2025

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,152,893	1,794,193	2,947,086
Receivables:			
Customer accounts, net	17,344	-	17,344
Due from other governments	232,720	-	232,720
Property taxes	<u>1,015,566</u>	<u>-</u>	<u>1,015,566</u>
TOTAL ASSETS	<u>\$ 2,418,523</u>	<u>1,794,193</u>	<u>4,212,716</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Liabilities:			
Accounts payable	\$ 34,763	34,267	69,030
Accrued liabilities	30,391	-	30,391
Customer deposits	393,870	-	393,870
Total liabilities	<u>459,024</u>	<u>34,267</u>	<u>493,291</u>
Deferred inflows of resources - grants	-	51,376	51,376
Deferred inflows of resources - property taxes	<u>1,012,581</u>	<u>-</u>	<u>1,012,581</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>1,471,605</u>	<u>85,643</u>	<u>1,557,248</u>
FUND BALANCES:			
Assigned for:			
Capital projects	-	1,708,550	1,708,550
Unassigned	<u>946,918</u>	<u>-</u>	<u>946,918</u>
TOTAL FUND BALANCES	<u>946,918</u>	<u>1,708,550</u>	<u>2,655,468</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 2,418,523</u>	<u>1,794,193</u>	<u>4,212,716</u>

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

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

	General Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:			
Taxes:			
Property	\$ 1,085,721	-	1,085,721
Sales	284,741	-	284,741
Other taxes	165,973	-	165,973
License and permits	105,097	-	105,097
Intergovernmental revenues	203,923	175,161	379,084
Charges for services	558,658	-	558,658
Interest	183,763	-	183,763
Miscellaneous revenue	28,702	-	28,702
Total revenues	2,616,578	175,161	2,791,739
EXPENDITURES:			
Current:			
General government	520,794	-	520,794
Public safety	580,949	-	580,949
Highways and streets	609,293	384,611	993,904
Culture, recreation and public property	36,501	-	36,501
Debt service:			
Principal	270,145	-	270,145
Interest	57,459	-	57,459
Total expenditures	2,075,141	384,611	2,459,752
Excess (Deficiency) of Revenues over (Under) Expenditures	541,437	(209,450)	331,987
Other Financing Sources and (Uses):			
Lease proceeds	128,722	-	128,722
Gain (loss) from sale of capital assets	90,809	-	90,809
Transfers in	-	584,303	584,303
Transfers out	(584,303)	-	(584,303)
Total Other Financing Sources and (Uses)	(364,773)	584,303	219,530
Net Change in Fund Balances	176,664	374,853	551,518
Fund balances - beginning of year	770,254	1,333,697	2,103,951
Fund balance - end of year	\$ 946,918	1,708,550	2,655,468

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

City of Woodland Hills
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION**
 June 30, 2025

Total Fund Balance for Governmental Funds \$ 2,655,468

Total net assets reported for governmental activities in the statement is different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds:

Capital assets, at cost	15,536,558
Less accumulated depreciation	<u>(3,937,936)</u>
Net capital assets	<u>11,598,622</u>

Deferred outflows of resources - pensions, a consumption of net position that applies to future periods, is not shown in the funds statements.

40,120

Long-term liabilities, for funds other than enterprise funds, are recorded in the government-wide statements but not in the fund statements.

General long-term debt	<u>(1,732,395)</u>
Interest accrued but not yet paid on long-term debt	<u>(14,196)</u>
Net pension liability	<u>(28,442)</u>
Deferred inflows of resources - pensions	<u>(124)</u>

Total Net Position of Governmental Activities \$ 12,519,053

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

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

Net Change in Fund Balances - Total Governmental Funds \$ 551,518

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

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

Capital outlays	526,011
Depreciation and amortization expense	<u>(380,754)</u>
Net	<u>145,258</u>

The Statement of Activities show pension benefits and pension expenses from the adoption of GASB 68 that are not shown in the fund statements.

(6,437)

Long-term debt issued (128,722)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Long-term debt principal repayments	<u>270,145</u>
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Accrued interest for long-term debt is not reported as expenditure for the current period, while it is recorded in the statement of activities.

Change in accrued interest	<u>(2,542)</u>
----------------------------	----------------

Change in Net Position of Governmental Activities \$ 829,220

City of Woodland Hills
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2025

	Water Fund	Nonmajor Sewer Fund	Total Enterprise Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,859,534	51,959	1,911,493
Accounts receivable, net of allowances	88,557	12,959	101,516
Total current assets	<u>1,948,091</u>	<u>64,918</u>	<u>2,013,009</u>
Non-current assets:			
Restricted cash and cash equivalents	133,456	-	133,456
Capital assets:			
Not being depreciated	1,366,670	-	1,366,670
Net of accumulated depreciation	5,283,504	-	5,283,504
Total non-current assets	<u>6,783,630</u>	<u>-</u>	<u>6,783,630</u>
Total assets	8,731,720	64,918	8,796,638
Deferred outflows of resources - pensions	60,181	-	60,181
Total assets and deferred outflows of resources	<u>\$ 8,791,901</u>	<u>64,918</u>	<u>8,856,819</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 550,899	8,339	559,238
Customer security deposits	26,742	-	26,742
Accrued interest payable	13,434	-	13,434
Long-term debt - current portion	149,734	-	149,734
Total current liabilities	<u>740,808</u>	<u>8,339</u>	<u>749,147</u>
Non-current liabilities:			
Net pension liability	42,663	-	42,663
Long-term debt - non-current portion	3,103,649	-	3,103,649
Total non-current liabilities	<u>3,146,312</u>	<u>-</u>	<u>3,146,312</u>
Total liabilities	3,887,120	8,339	3,895,459
Deferred inflows of resources - pensions	185	-	185
Total liabilities and deferred inflows of resources	<u>3,887,305</u>	<u>8,339</u>	<u>3,895,644</u>
NET POSITION:			
Net investment in capital assets	3,396,791	-	3,396,791
Restricted for:			
Impact Fees	133,456	-	133,456
Unrestricted	1,374,349	56,579	1,430,928
Total net position	<u>4,904,596</u>	<u>56,579</u>	<u>4,961,175</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 8,791,901</u>	<u>64,918</u>	<u>8,856,819</u>

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

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

	Water Fund	Nonmajor Sewer Fund	Total Enterprise Fund
Operating income:			
Charges for sales and service	\$ 860,435	133,650	994,085
Connection fees	5,850	2,000	7,850
Other operating income	40,668	-	40,668
Total operating income	906,953	135,650	1,042,603
Operating expenses:			
Personnel services	265,921	-	265,921
Cost of sales	-	101,615	101,615
Utilities	59,247	-	59,247
Repair & maintenance	314,290	-	314,290
Professional services	38,439	-	38,439
Other supplies & expenses	42,501	-	42,501
Insurance expense	27,588	-	27,588
Depreciation and amortization expense	271,553	-	271,553
Total operating expense	1,019,539	101,615	1,121,154
Net operating income (loss)	(112,586)	34,035	(78,551)
Non-operating income (expense):			
Impact fees	68,471	53,815	122,286
Interest income	74,609	-	74,609
Impact fees paid to Payson City	-	(58,427)	(58,427)
Interest on long-term debt	(19,903)	-	(19,903)
Total non-operating income (expense)	123,177	(4,612)	118,565
Income (loss) before capital contributions	10,590	29,423	40,014
Capital contributions	-	-	-
Change in net position	10,590	29,423	40,014
Net position - beginning	4,894,006	27,156	4,921,162
Net position - ending	\$ 4,904,596	56,579	4,961,175

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

City of Woodland Hills
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2025

	Water Fund	Nonmajor Sewer Fund	Total Enterprise Fund
Cash flows from operating activities:			
Cash received from customers - service	\$ 904,147	133,424	1,037,571
Cash paid to suppliers	(22,438)	(93,276)	(115,714)
Cash paid to employees	(256,267)	-	(256,267)
Net cash provided (used) in operating activities	625,442	40,148	665,590
Cash flows from noncapital financing activities:			
Change in customer deposits	(2,149)	-	(2,149)
Net cash provided (used) in noncapital financing activities	(2,149)	-	(2,149)
Cash flows from capital and related financing activities:			
Cash from impact fees	68,471	(4,612)	63,859
Cash payments for capital assets	(868,719)	-	(868,719)
Cash payments for long-term debt	(151,978)	-	(151,978)
Cash payments for long-term debt interest	(18,952)	-	(18,952)
Net cash provided (used) in capital and related financing activities	(971,178)	(4,612)	(975,790)
Cash flows from investing activities:			
Cash received from interest earned	74,609	-	74,609
Net cash provided (used) in investing activities	74,609	-	74,609
Net increase (decrease) in cash	(273,276)	35,536	(237,740)
Cash balance, beginning	2,266,265	16,423	2,282,688
Cash balance, ending	\$ 1,992,990	51,959	2,044,948
Cash reported on the statement of net position:			
Cash and cash equivalents	\$ 1,859,534	51,959	1,911,493
Non-current restricted cash	133,456	-	133,456
Total cash and cash equivalents	\$ 1,992,990	51,959	2,044,948

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

City of Woodland Hills
STATEMENT OF CASH FLOWS (continued)
For the Year Ended June 30, 2025

**Reconciliation of Operating Income to Net Cash
Provided (Used) in Operating Activities:**

	Water Fund	Nonmajor Sewer Fund	Total Enterprise Fund
Net operating income (expense)	\$ (112,586)	34,035	(78,551)
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:			
Depreciation and amortization	271,553	-	271,553
Changes in assets and liabilities:			
(Increase) decrease in receivables	(2,806)	(2,226)	(5,032)
(Increase) decrease in deferred outflows	1,943	-	1,943
Increase (decrease) in payables	459,627	8,339	467,966
Increase (decrease) in net pension liability	8,192	-	8,192
Increase (decrease) in deferred inflows	(481)	-	(481)
Net cash provided (used) in operating activities	\$ 625,442	40,148	665,590

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

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1-A. Reporting entity

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

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

1-B. Government-wide and fund financial statements

Government-wide Financial Statements

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

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

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expenses are not allocated. All expenses are included in the applicable function. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privilege provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

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

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

1-C. Measurement focus, basis of accounting and financial statement presentation

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP).

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

Policy regarding use of restricted resources

When faced with a choice, it is the City's policy to use restricted resources first, then committed and assigned amounts before spending unassigned amounts. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities.

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

1-D. Fund types and major funds

Governmental funds

The City reports the following major governmental funds:

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

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

Proprietary funds

The City reports the following major and non-major proprietary funds:

The *water fund* is used to account for the activities of the culinary water production, treatment and distribution system.

The *sewer fund* is used to account for the activities of the sewer system.

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

1-E-1. Deposit and Investments

All of the City's deposits are in demand deposit accounts or in accounts with the Utah Public Treasurers Investments Fund. Deposits are reported at cost, which approximates fair value. Additional information is contained in Note 3.

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.

1-E-2. Cash and Cash Equivalents

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

1-E-3. Receivables and Payables

Accounts receivable other than property taxes and intergovernmental receivables are from customers primarily for utility services. Property tax and intergovernmental receivables are considered collectible. Customer accounts are reported net of allowance for uncollectable accounts. Due to the nature of the accounts receivable, management does not consider an allowance for uncollectable accounts receivable necessary or material. Therefore, no allowance for uncollectable accounts receivable is presented. During the course of operations, there may be transactions that occur between funds that are representative of lending/borrowing arrangements outstanding at year-end. These are reported as either due to or due from other funds.

Property taxes are assessed and collected for the City by Utah County and remitted to the City shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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

1-E-4. *Restricted Assets*

In accordance with certain revenue bond covenants, resources may be required to be set aside for the repayment of such bonds, and, on occasion, for the repair and maintenance of the assets acquired with the bond proceeds. These resources are classified as restricted assets on the balance sheet because of their limited use. Most capital grant agreements mandate that grant proceeds be spent only on capital assets. Unspent resources of this nature are also classified as restricted. The limited use resources described above involve a reported restriction of both cash and net assets.

Unspent proceeds of bonds issued to finance capital assets are also reported as restricted cash.

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

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

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

1-E-6. *Capital Assets*

Capital assets includes property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure is depreciated.

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

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

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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

1-E-6. Capital Assets (continued)

Assets	Years
Buildings	10-40
Improvements	7-40
Vehicles and equipment	5-15

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

1-E-7. Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the terms of the respective bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period.

1-E-8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources relating to pensions as required by GASB 68.

In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City has three types of items that qualify for reporting in this category. The governmental funds report deferred revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period for which they are levied. The City also recognizes unexpended grant monies as deferred inflows. The City also reports deferred inflows related to pensions as required by GASB 68.

1-E-9. Pensions

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

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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

1-E-10. *Net position flow assumption*

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

1-E-11. *Fund balance flow assumptions*

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

1-E-12. *Fund balance policies*

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

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

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

Unassigned fund balance is a residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund.

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

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

1-F. Estimates

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2-A. Budgetary data

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

Utah State law prohibits the appropriation of unreserved General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. The unrestricted General Fund balance cannot exceed 35% of the current year's actual revenues.

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

2-B. Taxes

Utah County assesses all taxable property other than centrally-assessed property, which is assessed through the state, by May 22 of each year. The City should adopt a final tax rate prior to June 22, which is then submitted to the state for approval. Property taxes are due on November 30 of each year. Delinquent taxes are subject to a penalty of 2% or \$10.00, whichever is greater. After January 15 of the following year, delinquent taxes and penalty bear interest of 6% above the federal discount rate from January 1 until paid.

Property taxes attach as an enforceable lien on property as they become delinquent. All unpaid taxes levied during the year become delinquent December 1 of the current year.

Property tax revenues are recognized when they become measurable and available. Amounts available include those property tax receivables expected to be collected within sixty days after year end.

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 3 - DETAILED NOTES

3-A. Deposits and investments

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

	Fair Value
Demand deposits - checking	\$ 12,421
State Treasurer's Investment Pool	<u>4,979,613</u>
Total cash	<u>\$ 4,992,035</u>

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

Cash and cash equivalents (current)	\$ 4,858,579
Restricted cash and cash equivalents (non-current)	133,456
Total cash and cash equivalents	<u>\$ 4,992,035</u>

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

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

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

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3-A. Deposits and investments (continued)

Fair value of investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows: Level 1—Quoted prices for identical investments in active markets; Level 2—Observable inputs other than quoted market prices; and, Level 3—Unobservable inputs. At June 30, 2025, the City had \$4,979,613 invested in the PTIF, which uses a Level 2 fair value measurement.

Deposit and investment risk

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

Interest rate risk

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

Credit risk

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

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

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

3-B. Receivables

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

	General	Water	Sewer	Total
Customers	\$ 17,344	88,557	12,959	118,860
Due from other governments	232,720	-	-	232,720
Property taxes	1,015,566	-	-	1,015,566
Total receivables	\$ 1,265,630	88,557	12,959	1,367,146

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3-C. Capital Assets

Capital asset activity for the governmental activities was as follows:

Governmental activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land and rights	\$ 5,692,198	-	-	5,692,198
Construction in progress	-	319,450	-	319,450
Total capital assets, not being depreciated	5,692,198	319,450	-	6,011,647
Capital assets, being depreciated:				
Buildings	1,540,426	-	-	1,540,426
Improvements other than buildings	2,461,226	21,378	-	2,482,605
Machinery and equipment	1,541,776	56,462	-	1,598,238
Infrastructure	3,774,920	-	-	3,774,920
Right of use leases	-	128,722	-	128,722
Total capital assets, being depreciated	9,318,349	206,562	-	9,524,910
Less accumulated depreciation and amortization for:				
Buildings	582,782	38,699	-	621,482
Improvements other than buildings	486,852	98,361	-	585,214
Machinery and equipment	706,597	137,016	-	843,614
Infrastructure	1,780,950	91,085	-	1,872,035
Right of use leases	-	15,592	-	15,592
Total accumulated depreciation	3,557,182	380,754	-	3,937,936
Total capital assets being depreciated, net	5,761,166	(174,192)	-	5,586,974
Governmental activities capital assets, net	\$ 11,453,364	145,258	-	11,598,622

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

Governmental activities:	
General government	\$ 85,124
Public safety	87,083
Streets and public works	200,475
Parks and recreation	8,071
Total	\$ 380,754

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3-C. Capital Assets (continued)

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

Business-type activities	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 178,198	-	-	178,198
Water stock and easements	319,754	-	-	319,754
Construction in progress	-	868,719	-	868,719
Total capital assets, not being depreciated	497,951	868,719	-	1,366,670
Capital assets, being depreciated:				
Water system	8,020,026	-	-	8,020,026
Sewer system	249,480	-	-	249,480
Machinery and equipment	382,511	-	-	382,511
Right of use leases	-	64,361	-	64,361
Total capital assets, being depreciated	8,652,016	64,361	-	8,716,377
Less accumulated depreciation and amortization for:				
Water system	2,927,070	228,804	-	3,155,874
Sewer system	57,866	8,316	-	66,182
Machinery and equipment	176,385	26,637	-	203,022
Right of use leases	-	7,796	-	7,796
Total accumulated depreciation	3,161,320	271,553	-	3,432,874
Total capital assets being depreciated, net	5,490,696	(207,192)	-	5,283,504
Business-type activities capital assets, net	\$ 5,988,647	661,527	-	6,650,174

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

Business-type activities:	
Water	\$ 263,237
Sewer	8,316
Total	\$ 271,553

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3-D. Long-term debt

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

	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2019 Sales Tax Refunding Bond							
Matures 2/1/2033	\$1,286,000	1.60	\$ 867,000	-	87,000	780,000	90,000
2020 Class C Road Revenue Bond							
Matures 5/15/2030	580,000	VAR	374,000	-	58,000	316,000	60,000
2023 Snowplow Lease 31128							
Matures 6/10/2026	91,329	5.50	62,501	-	30,414	32,087	32,087
2023 Snowplow Lease 31129							
Matures 6/10/2026	91,329	5.50	62,501	-	30,414	32,087	32,087
2024 Fire Chief Truck							
Matures 6/1/2028	76,771	5.63	64,271	-	8,880	55,391	9,380
2024 Wheeler Loader (Snowplow) Lease							
Matures 10/1/2028	36,486	5.78	-	36,486	2,515	33,971	548
2024 Wheeler Loader (Streets) Lease							
Matures 10/1/2028	36,486	5.78	-	36,486	2,515	33,971	548
2025 Service Truck (Snowplow) Lease							
Matures 3/25/2029	27,874	0.50	-	27,874	5,463	22,411	4,186
2025 Service Truck (Streets) Lease							
Matures 3/25/2029	27,874	0.50	-	27,874	5,463	22,411	4,186
2024 Fire Engine							
Matures 6/14/2033	469,267	4.79	431,591	-	39,481	392,110	41,372
Total governmental activity long-term liabilities			\$ 1,861,864	128,722	270,145	1,720,441	274,393

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

	Principal	Interest	Total
2026	\$ 274,393	60,673	335,066
2027	228,789	50,354	279,143
2028	271,340	42,476	313,816
2029	256,571	32,103	288,674
2030	214,887	22,527	237,413
2031 - 2033	474,461	31,189	505,650
Total	\$ 1,720,441	239,321	1,959,762

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

3-D. Long-term debt

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

	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2014 Water Revenue Bond							
Matures 10/1/2034	\$ 920,000	2.92	\$ 570,000	-	45,000	525,000	46,000
2024 Wheeler Loader (Water) Lease							
Matures 10/1/2028	36,486	5.78	-	36,486	2,515	33,971	548
2025 Service Truck (Water) Lease							
Matures 3/25/2029	27,874	0.50	-	27,874	5,463	22,411	4,186
2021 Water Revenue Bond							
Matures 10/15/2052	2,969,000	-	2,771,000	-	99,000	2,672,000	99,000
Total business-type activity long-term liabilities			\$ 3,341,000	64,361	151,978	3,253,383	149,734

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

	Principal	Interest	Total
2026	\$ 149,734	18,711	168,445
2027	151,030	17,073	168,102
2028	170,637	15,385	186,022
2029	172,982	12,609	185,591
2030	151,000	9,724	160,724
2031 - 2035	776,000	25,054	801,054
2036 - 2040	495,000	-	495,000
2041 - 2045	495,000	-	495,000
2046 - 2050	495,000	-	495,000
2051 - 2052	197,000	-	197,000
Total	\$ 3,253,383	98,555	3,351,938

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE 4 - OTHER INFORMATION

4-A. Risk management

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

4-B. Rounding convention

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

4-C. Subsequent events

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through the date of the audit report, the date the financial statements were available to be used.

4-D. Investment in joint venture

The City is party to a joint venture with several other municipalities in the South Utah Valley Solid Waste District (the District). The District was created for the purpose of building a landfill and transfer station and operating the same for the benefit of member municipalities. The majority of the District's solid waste revenue comes from these governmental entities. Additional information is as follows:

- a. Participants are Woodland Hills City, Provo City, Springville City, Spanish Fork City, Mapleton City, Salem City, and Goshen City.
- b. The District is governed by a board of directors, which is comprised of seven members. The mayor and city council of each member city appoints one director. All decisions of the board are by majority vote, except in the case of a tie. In a tie, the votes would be taken by tonnage. For Provo City to prevail in a tie vote, they would need one additional city to vote with them.
- c. The District's Board of Directors governs the operations of the District through management employed by the board. The District is subject to the same laws as the creating entities, therefore, it must follow Utah State laws for cities in the areas of fiscal management, budgeting, and financing.

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

4-D. Investment in joint venture (continued)

d. Summary financial information as of the joint venture's last fiscal year end for which an audit has been completed, June 30, 2024, is as follows:

South Utah Valley Solid Waste District	
Total Assets and Deferred Outflows	\$ 57,463,980
Total Liabilities and Deferred Inflows	<u>40,122,243</u>
Net Position	<u>17,341,737</u>
Operating Revenues	10,947,022
Operating Expenses	<u>11,374,359</u>
Net Operating Income (Loss)	(427,337)
Total Non-Operating Income (Loss)	<u>(5,299,986)</u>
Net Income (Loss)	<u>\$ (5,727,323)</u>

e. The joint venture has the following long-term debt:

Accrued compensated absences	\$ 301,986
Long-term debt	36,867,709
Net pension liability	<u>310,307</u>
Total long-term liabilities	<u>\$ 37,480,002</u>

4-E. Pension Plans

General Information about the Pension Plan

Plan description:

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

Defined Benefit Plans

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

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System. The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

4-E. Pension Plans (continued)

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

Benefits provided:

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

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

*with actuarial reductions

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

Contributions:

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

Utah Retirement Systems	Employee	Employer	Employer 401(k) Plan
Contributory System			
111 - Local Government Div - Tier 2	-	15.19	0.70
Noncontributory System			
15 - Local Government Div - Tier 2	-	16.97	-
Tier 2 DC Only			
211 - Local Government	-	5.19	10.00

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

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

4-E. Pension Plans (continued)

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

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 27,042	-
Tier 2 Public Employees System	26,635	1,227
Total Contributions	\$ 53,677	-

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 of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, we reported a net pension asset of \$0 and a net pension liability of \$71,105.

<u>(Measurement Date): December 31, 2024</u>					Proportionate
	Net Pension Asset	Net Pension Liability	Proportionate Share	Share 12/31/2023	Change (Decrease)
Noncontributory System	\$ -	\$ 55,629	0.0175424%	0.0301712%	(0.0126288)%
Tier 2 Public Employees System	\$ -	\$ 15,476	0.0051890%	0.0042196%	0.0009694%
Total	\$ -	\$ 71,105			

The net pension asset and liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2025, we recognize pension expense of \$69,768.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 39,837	\$ 107
Changes in assumptions	9,770	2
Net difference between projected and actual earnings on pension plan investments	17,745	-
Changes in proportion and differences between contributions and proportionate share of contributions	4,916	201
Contributions subsequent to the measurement date	28,032	-
Total	\$ 100,301	\$ 309

\$28,032 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

4-E. Pension Plans (continued)

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

<u>Year Ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources
2025	\$ 35,695
2026	34,101
2027	(5,629)
2028	221
2029	3,428
Thereafter	4,144

Actuarial assumptions:

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

Inflation	2.50 Percent
Salary increases	3.50 - 9.50 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

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

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

City of Woodland Hills
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

4-E. Pension Plans (continued)

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

Discount rate:

The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

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

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

<u>System</u>	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 235,265	55,629	(95,027)
Tier 2 Public Employees System	46,222	15,476	(8,442)
Total	\$ 281,487	71,105	(103,469)

Pension plan fiduciary net position:

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

Defined Contribution Savings Plan:

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

- 401(k) Plan

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

	2025	2024	2023
401(k) Plan			
Employer Contributions	\$ 283	\$ 114	\$ 184
Employee Contributions	-	4,000	13,000

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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City of Woodland Hills
Notes to Required Supplementary Information
June 30, 2025

Budgetary Comparison Schedules

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

Budgeting and Budgetary Control

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

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

Current Year Excess of Expenditures over Appropriations

For the year ended June 30, 2025, expenditures within all department were below appropriations.

Changes in Assumptions Related to Pensions

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

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

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Property	\$ 1,059,995	1,083,000	1,085,721	2,721
Sales	280,000	280,000	284,741	4,741
Other taxes	159,000	158,700	165,973	7,273
License and permits	81,500	104,600	105,097	497
Intergovernmental revenues	107,000	163,000	203,923	40,923
Charges for services	371,300	379,800	558,658	178,858
Interest	151,500	180,000	183,763	3,763
Miscellaneous revenue	6,000	75,000	28,702	(46,298)
Total revenues	2,216,295	2,424,100	2,616,578	192,478
EXPENDITURES:				
General government	748,850	631,517	628,302	3,215
Public safety	477,220	668,367	653,603	14,764
Streets and public works	889,875	757,613	756,735	878
Parks, recreation and public property	48,600	51,300	36,501	14,799
Total expenditures	2,164,545	2,108,797	2,075,141	33,656
Excess (Deficiency) of Revenues over (Under) Expenditures	51,750	315,303	541,437	226,134
Other Financing Sources and (Uses):				
Lease proceeds	-	-	128,722	128,722
Proceeds from sale of capital assets	-	65,000	90,809	25,809
Transfers out	(36,000)	(379,303)	(584,303)	(205,000)
Total Other Financing Sources and (Uses)	(36,000)	(314,303)	(364,773)	(50,469)
Net Change in Fund Balances	15,750	1,000	176,664	176,664
Fund balances - beginning of year	770,254	770,254	770,254	-
Fund balance - end of year	\$ 786,004	771,254	946,918	175,664

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

	As of December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Noncontributory Retirement System										
Proportion of the net pension liability (asset)	0.0175424%	0.0235488%	0.0301712%	0.0336714%	0.0288812%	0.0265345%	0.0252014%	0.0169779%	0.0080166%	0.0080590%
Proportionate share of the net pension liability (asset)	\$ 55,629	\$ 54,623	\$ 51,676	\$ (192,840)	\$ 14,779	\$ 100,005	\$ 185,576	\$ 74,385	\$ 51,476	\$ 45,602
Covered employee payroll	\$ 157,466	\$ 258,326	\$ 294,693	\$ 312,783	\$ 257,844	\$ 231,673	\$ 211,832	\$ 141,099	\$ 74,095	\$ 71,785
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee	35.33%	21.14%	17.54%	-61.65%	5.73%	43.17%	87.61%	52.72%	69.47%	63.53%
Plan fiduciary net position as a percentage of the total pension liability	96.02%	96.90%	97.50%	108.70%	99.20%	93.70%	87.00%	91.90%	87.30%	87.80%
Tier 2 Public Employees System										
Proportion of the net pension liability (asset)	0.0051890%	0.0014535%	0.0042196%	0.0045479%	0.0049955%	0.0054616%	0.0064729%	0.0047315%	0.0000000%	0.0000000%
Proportionate share of the net pension liability (asset)	\$ 15,476	\$ 2,829	\$ 4,595	\$ (1,925)	\$ 718	\$ 1,228	\$ 2,772	\$ 417	\$ -	\$ -
Covered employee payroll	\$ 153,746	\$ 37,579	\$ 92,007	\$ 84,442	\$ 79,875	\$ 75,924	\$ 75,422	\$ 46,053	\$ -	\$ -
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee	10.07%	7.53%	4.99%	-2.28%	0.90%	1.62%	3.68%	0.91%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	87.44%	89.58%	92.30%	103.80%	98.30%	96.50%	90.80%	97.40%	0.00%	0.00%

City of Woodland Hills
SCHEDULE OF CONTRIBUTIONS

June 30, 2025
Last 10 Fiscal Years

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2016	\$ 13,500	\$ 13,500	\$ -	\$ 73,089	18.47%
	2017	15,974	15,974	-	86,485	18.47%
	2018	33,116	33,116	-	179,298	18.47%
	2019	43,106	43,106	-	233,382	18.47%
	2020	44,185	44,185	-	239,228	18.47%
	2021	55,113	55,113	-	298,394	18.47%
	2022	52,804	52,804	-	285,889	18.47%
	2023	51,301	51,301	-	284,911	18.01%
	2024	37,369	37,369	-	207,953	17.97%
	2025	27,042	27,042	-	159,350	16.97%
Tier 2 Public Employees System*	2016	\$ -	\$ -	\$ -	\$ -	0.00%
	2017	1,771	1,771	-	10,845	16.33%
	2018	9,841	9,841	-	65,128	15.11%
	2019	12,312	12,312	-	80,574	15.28%
	2020	12,126	12,126	-	77,457	15.66%
	2021	12,873	12,873	-	81,475	15.80%
	2022	13,832	13,832	-	86,187	16.05%
	2023	13,921	13,921	-	86,929	16.01%
	2024	12,008	12,008	-	75,000	16.01%
	2025	26,635	26,635	-	175,346	15.19%

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

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



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

Honorable Mayor and
City Council Members
Woodland Hills City
Woodland Hills, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Woodland Hills City, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Woodland Hills City's basic financial statements and have issued our report thereon dated December 3, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Woodland Hills City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Woodland Hills City's internal control. Accordingly, we do not express an opinion on the effectiveness of Woodland Hills 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 Woodland Hills 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. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Larson & Company, PC

Larson & Company

Spanish Fork, Utah

December 3, 2025

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

Honorable Mayor and City Council Members
Woodland Hills City
Woodland Hills, Utah

Report on Compliance

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

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

Budgetary Compliance	Fund Balance
Restricted Taxes and Related Revenues	Fraud Risk Assessment
Government Fees	Cash Management
Utah Retirement Systems	Impact Fees
Open and Public Meetings Act	Crime Insurance for Public Treasurers
Enterprise Fund Transfers, Reimbursements, Loans, and Services	

Opinion on Compliance

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

Basis for Opinion

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

We are required to be independent of Woodland Hills 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 Woodland Hills 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 Woodland Hills 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 Woodland Hills 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 Woodland Hills 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 Woodland Hills City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Woodland Hills City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide but not for the purpose of expressing an opinion on the effectiveness of Woodland Hills City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report On Internal Control over Compliance

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

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

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

Purpose of this Report

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

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
December 3, 2025

WOODLAND HILLS CITY
Schedule of Findings and Recommendations
For the Year Ended June 30, 2025

Current Year Findings

Governmental Auditing Standards and Compliance Findings

None noted

Summary of Prior Year Findings

Governmental Auditing Standards and Compliance Findings

None noted.