

Hildale City Monthly Financial Report, October 2025

Monthly Financial Reporting:

FY25 Tax revenues through September had been on hold due to the annual corrective action plan from FY24 having not been submitted. We submitted that report and have started receiving tax revenues again. You'll note on page 28 of the Council Packet, we've received 42.1% of the budgeted tax revenues for the Fiscal Year.

It is important to note that each week Maxene and I meet to go over the financials, answer any of her questions, and discuss my progress on the five outcomes I have been engaged to assist and consult with the City on. Due to Maxene's current workload, progress on many of the tasks that require a full-time city employee have come to a standstill. I will discuss the specifics in more detail throughout this monthly report.

Cash and PTIF accounts: Setup of the new PTIF accounts has not been completed. This is one of the items that a full-time city employee will need to complete. An external consultant (such as myself) should not be used to set up bank accounts or other financial accounts for the city.

The city currently has one PTIF account that has been used for all purposes (impact fees, grant funds, etc.). Prior to October, we only included the cash balances for the two operating accounts. Starting this month, we include the PTIF account balance in the cash visuals. While including the PTIF balances helps with transparency, I was hoping to have them broken out into restricted balances and give a better picture of how much money needs to be allocated to each restricted purpose. That information is currently being compiled by Athena, Maxene, and myself.

The approximately \$4.7 million in the PTIF account is an accumulation of grant funds received for various projects, impact fees collected and still held, and other funds that have been transferred out of the operating bank accounts in order to earn a higher rate of return.

Audit Findings Review and Policy implementation:

We have begun the process of reviewing the capital assets (any asset that has a useful life of at least two years and an individual cost of \$5,000 or greater). This is being coordinated through the utility department as part of the ongoing responsibilities.

I have begun recording short videos of my review process that I use when I look for and propose end of year adjusting journal entries. These video walkthroughs will help current and

future staff understand different aspects of the accounting cycle and help them self-review the recording process.

Joint Fund Review and Analysis:

We are working to set up meetings with the City Manager at Colorado City in order to better document and understand their processes for impact fee collection, reporting, and usage on the Arizona side. We will also discuss the process of how expenditures are allocated to Hildale.

Year-end Accounting and Audit Assistance:

Due to Maxene's current workload, we have been unable to post several end of year adjustments that have been identified. Going into October and November, I will be focusing most of my efforts to reviewing the general ledger, trial balance, and applicable backup documentation to ensure we have as many year end adjustments posted prior to the annual audit. This is one of the recurring audit findings we have had over the past several years and is one that I believe we can show significant progress on from FY24 to FY25.

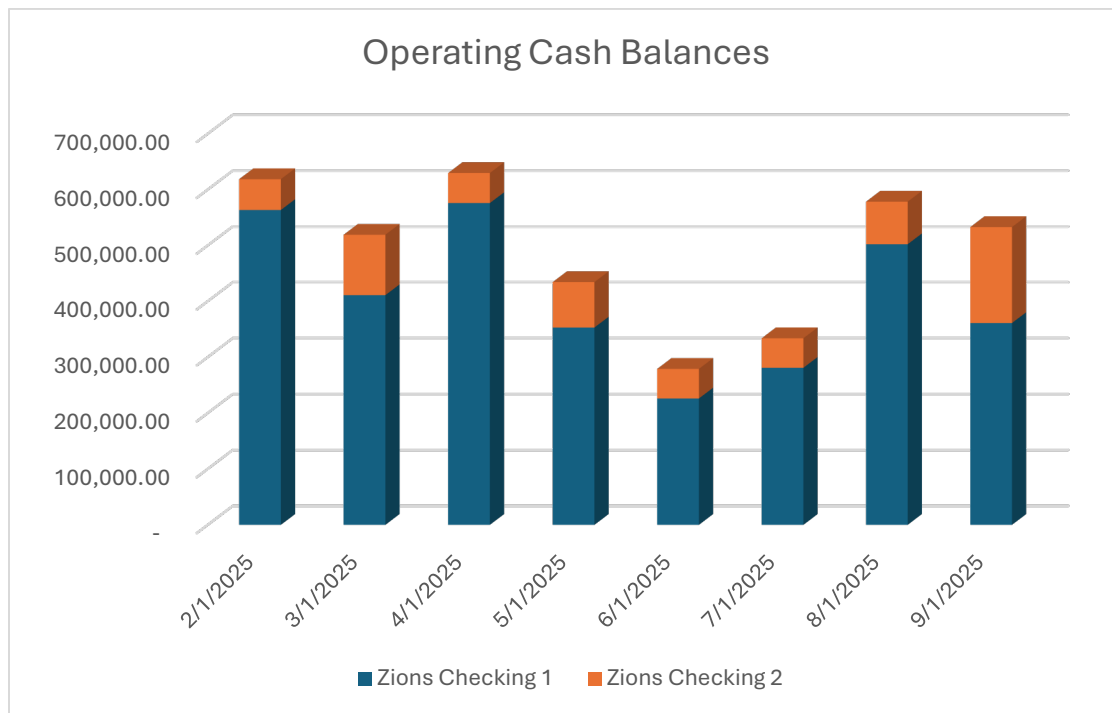
Other items:

The more we go into the pre-audit adjustments and review the ongoing operations of the City, the more I am concerned with the solvency of the city. We continue to approve new projects, contracts and services, but without reducing the same volume of expenditures.

I also have concerns that some joint expenditure allocations between General Fund and the Joint Administration Fund do not accurately reflect the percentages of benefit that each fund is receiving. Maxene and I are working to ensure the allocation percentages are accurate.

As part of my month end processes, I have reviewed the expenditures, revenues, and check registers.

Cash Balances:



Date	Zions Checking 1	Zions Checking 2	Joint PTIF	Total
2/28/2025	563,389.69	55,236.77		618,626.46
3/31/2025	410,945.96	108,141.00		519,086.96
4/30/2025	575,900.21	53,795.98		629,696.19
5/30/2025	352,916.32	81,369.65		434,285.97
6/30/2025	226,103.73	52,858.78		278,962.51
7/31/2025	280,894.83	52,856.14		333,750.97
8/31/2025	502,088.78	76,228.16		578,316.94
9/30/2025	361,010.47	171,840.97	4,729,075.40	5,261,926.84

