

Annual Comprehensive Financial Report



Clearfield City, Utah

Fiscal Year Ended

June 30, 2024

CLEARFIELD CITY CORPORATION

Clearfield City, Utah

For the Year Ended June 30, 2024

Prepared and Reviewed By:
JJ Allen, City Manager
Rich Knapp, Finance Manager

CLEARFIELD CITY, UTAH
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INTRODUCTORY SECTION



November 20, 2024

To the Honorable Mayor, Members of the City Council, and the Residents of Clearfield City:

It is my pleasure to present the 2024 Annual Comprehensive Financial Report (ACFR) of Clearfield City for the fiscal year ended June 30, 2024.

This report is formatted to comply with the Governmental Accounting Standards Board (GASB) Statement 34. Additionally, State law requires that all local governments publish a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Government Auditing Standards by a firm of licensed certified public accountants. This ACFR accomplishes these requirements.

The government-wide financial statements include a Statement of Net Position which provides the total net position of the City including all capital assets and the Statement of Activities that shows the cost of providing government services.

This report is published to provide the Clearfield City Council, staff, residents, the State of Utah, and other interested groups, including investors, creditors, and grantor agencies, with detailed information concerning the financial condition and activities of the city government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with city management.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

GENERAL INFORMATION

History and Background

Clearfield was originally incorporated on July 17, 1922. Bordering the east side of Clearfield City is Hill Air Force Base (HAFB). The Base was established in 1941 at the onset of World War II. Less than a year later, Army and Navy engineers chose Clearfield as a strategic site for the largest U.S. Naval Supply Depot, which was completed in 1942. In 1963, the Clearfield Naval Supply Depot was sold for private ownership and became what is now known as the Freeport Center—a large industrial park. After the military installations were established, Clearfield's population grew rapidly. Government sponsored housing projects developed. Roads, culinary water reservoirs, water and sewer lines, sidewalks, and curb and gutters were installed to meet the needs of the new residents.

Clearfield is home to one of more than 124 Job Corps centers throughout the United States. Also known as Clearfield Job Corps, it was established in 1966 to provide training to “at risk” youth, equipping them with skills to enter the workforce and to prepare them to integrate into society. It currently houses and provides training for young people from every state in the U.S. and over 20 countries. Clearfield Job Corps is the 3rd largest facility of its kind in the nation.

Location and Transportation

Clearfield City is the fourth largest city in Davis County in terms of population (34,062). The City encompasses 7.67 square miles and is approximately 92% developed. Located in Northern Utah, Clearfield is 38 miles north of Salt Lake City. Clearfield City is easily accessible by Interstate 15 (I-15) which runs north-south through the city and connects Clearfield to major urban centers like Salt Lake City to the south and Ogden to the north. This thorough fare is a critical corridor for commerce and commuting. Additionally, the Union Pacific Railroad has provided important freight access, while the Utah Transit Authority’s FrontRunner commuter rail line, with a station in Clearfield, offers residents convenient transit options throughout the Wasatch Front. The Salt Lake International Airport can be reached within 35 minutes via I-15 and the FrontRunner train. Additionally, the Utah Transit Authority (UTA) provides daily public transit service throughout the City and along the Wasatch Front.

ORGANIZATION

Clearfield is considered a city of the *Third-Class*, (population between 30,000 and 60,000), operating under the Council-Manager form of government by ordinance. The legislative body is comprised of five council members and the Mayor, who establish policy and procedure for the administration, organization, operation, conduct and business of the City. They adopt and amend the budget. They are assisted by the City Manager who is appointed by the City Council and is responsible for implementing City policy and overseeing the day-to-day management of the City.

The Mayor and Council members are elected at large to serve four-year terms. Elections, which are held every two years, are staggered to help facilitate the continuity of the City Council.

The Combined Financial Statements of the City include all government activities, organizations and functions for which the City is financially accountable as defined by the Governmental Accounting Standards Board.

Clearfield City provides a range of services, including police, justice court, land use and planning, building inspections, business licensing, operating an aquatic and fitness center, multiple parks and a cemetery, arts and recreation services, maintenance of streets, water, sewer, and storm water systems, solid waste, fleet management, facility maintenance, and administrative services.

ECONOMIC CONDITION AND OUTLOOK

Clearfield City is strategically positioned in northern Davis County and has a rich history of transportation accessibility that has shaped its development. Hill Air Force Base (HAFB) is one of the largest employers in the State of Utah and has been awarded several contracts to maintain military aircraft, such as the F-35 fighter jet. The Sentinel weapon system (also known as the Ground Based Strategic Deterrent) is another significant component of the operations at HAFB.

The ongoing development of the 550-acre Falcon Hill project is underway, with four office buildings “behind the gate” and two retail buildings and a hotel “outside the gate” complete. It is anticipated that 6 – 8 million square feet of new office space and incidental retail will be built over the next twenty years. Clearfield provides municipal services to the southern portion of Falcon Hill.

In April of 2022, Clearfield City broke ground on the construction of the public infrastructure for Clearfield Station, a 55+-acre commuter rail stop. Construction of the public infrastructure has been completed and was done so in the fall of 2024. The Master Development Plan includes up to 600,000 SF of office space, up to 1000 residential units, public parks and open space and approximately 30,000 SF of retail space including a regional climbing gym. The private improvements should begin in the first quarter of 2025.

In the “Civic Center” as shown in the adopted Downtown Small Area Plan, the County as built a new Davis County Library is now complemented by the new North Davis Fire Station #42 (opened in August 2024).

In the “heart” of the new downtown redevelopment efforts, plans for the redevelopment of the old Lakeside Square Shopping Center were approved by the Council in 2022. To the west of Mabey Pond, the north end will be vertical mixed use with a main street promenade space for art installations, public gatherings around the pond, a bandstand, and a family beach area, all focused on “creating a place where people want to be.” Construction on this development is expected to begin in 2025. Across the street, on the old Clearfield Mobile Home Park property, Phase 1 of the Lotus Anthem project is complete and occupied, and Phase 2 is nearly complete. This project includes 211 apartments, 99 townhomes, and a half-acre park.

East of I-15, the residential component of the Bravada 193 mixed-use development is complete and occupied. The project includes a Sinclair convenience store that opened in 2020 and 328 apartments (in four and five-story buildings) to anchor this nearly 11-acre parcel. The Bravada 193 office building (a 30,000 SF office building on the corner of the project) is nearing completion.

Living Spaces, a major furniture retailer in the western United States, acquired the former Tai Pan Trading / Allegiant Nonstop property and completely renovated the building. They opened their doors in June 2023, this being their second store in Utah. Living Spaces is a direct competitor to RC Willey and will benefit from the synergy of the two stores being so close to each other.

Other noteworthy projects:

- The Heights at Legend Hills Luxury Apartments (225 units)
- Antelope Drive Flex Space (50,000 SF of Commercial/Flex)
- Clearfield Junction Apartments (fourth/final building under construction)
- City Plaza apartments (108 units)
- Hillside Estates mixed-use (28 units and 4,000 SF of commercial, completed in 2023)
- Indigo 880 townhomes (62 townhomes under construction)
- The Hart @ City Centre apartments (107 units completed in 2023)
- Union Townhomes (61 townhomes under construction)
- Second and State Apartments (116 units completed in 2023)

In addition to the multifamily development along the downtown corridor, several single-family developments continue to make progress (though slowed a bit by higher interest rates).

- Wilcox Farms - 101 homes
- Heritage East- 56 homes
- Hamblin Estates- 30 homes
- Autumn Ridge Phase 13 homes
- Weaver Meadows- 9 homes
- Woods Court- 14 homes
- Ball Fields Subdivision- 9 homes

MAJOR INITIATIVES

Community Services - In 2024, residents voted to renew the Parks, Arts, Recreation, Aquatic, and Trails (PARAT) sales tax. A PARAT master plan, developed with the Mayor and Council, serves as the basis for deciding PARAT projects in the future. The PARAT tax will sunset in the beginning of 2035.

Proprietary Funds - The City provides Water, Sewer, Storm Water and Solid Waste Services to over 7,200 residential and commercial accounts through Proprietary Funds. The city is currently replacing all water meters with new meters that read almost real time via cellular.

Administration - City administration completed a comprehensive analysis of the compensation plan to address recruiting and retention issues, and it was implemented early 2022 and sustained in the FY25 budget.

FINANCIAL INFORMATION

Accounting System and Budgetary Control

The City's accounting records for general governmental operations, utilities, and other proprietary activities are maintained on a modified accrual basis, with the revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received, and the liabilities are incurred.

The City considers the adequacy of internal control structure in developing and maintaining its accounting system. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

- (1) The safeguarding of assets against loss from unauthorized use or disposition; and
- (2) The reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that:
 - a. the cost of a control should not exceed the benefits likely to be derived; and
 - b. the evaluation of costs and benefits requires estimates and judgments by management.

The City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City operates an integrated budgetary and accounting system, which incorporates the adoption of a formal legal budget. The City Council sets goals and objectives for the City staff, which then adopts the annual budget prepared by city management. State statutes define the legal level of budgetary control at the department level. Expenditures should not exceed appropriations at that level. Individual Departments can produce financial reports from current data at any time, where the department head is responsible for monitoring their own departmental budgets. If needed, the budget is amended as required to consider necessary adjustments.

Financial Policies

Clearfield City Council has adopted several financial policies along with strategic plans to give overall planning and guidance to staff. Two primary policies are the Fund Balance and Debt Service. The Fund Balance policy gives guidance on the unrestricted portion levels to maintain and how to prioritize any excess. The Debt Service policy is designed to give guidance on types of long-term debt and how it may be issued. One item in this policy limits the amount of debt service to 25% of the fund's annual revenues.

OTHER INFORMATION

Independent Audit

Section 10-6-150 of the Utah Code Unannotated, and section III.D.01 of the State of Utah Uniform Accounting Manual require third class cities to prepare an annual financial report, and that an annual audit be conducted by an independent certified public accountant. The City has contracted with HBME, LLC, Certified Public Accountants. Their independent auditor's report has been included in this report.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire city staff who were instrumental in the successful completion of this report.

I would like to thank the Mayor and members of the City Council for their interest and support in the financial operations of the City, for demonstrating fiscal responsibility, and for striving to fulfill the duties and responsibilities of their respective offices.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Rich Knapp", is written over a horizontal line.

Rich Knapp

Finance Director

Elected Officials

Mark Shepherd	Mayor
Tim Roper	City Council Member, Mayor Pro Tem
Nike Peterson	City Council Member
Karece Thompson	City Council Member
Megan Ratchford	City Council Member
Dakota Wurth	City Council Member

Administration

JJ Allen	City Manager
Spencer Brimley	Assistant City Manager
Stuart Williams	City Attorney

Statutory Appointed Officials

Nancy Dean	City Recorder
Rich Knapp	City Treasurer

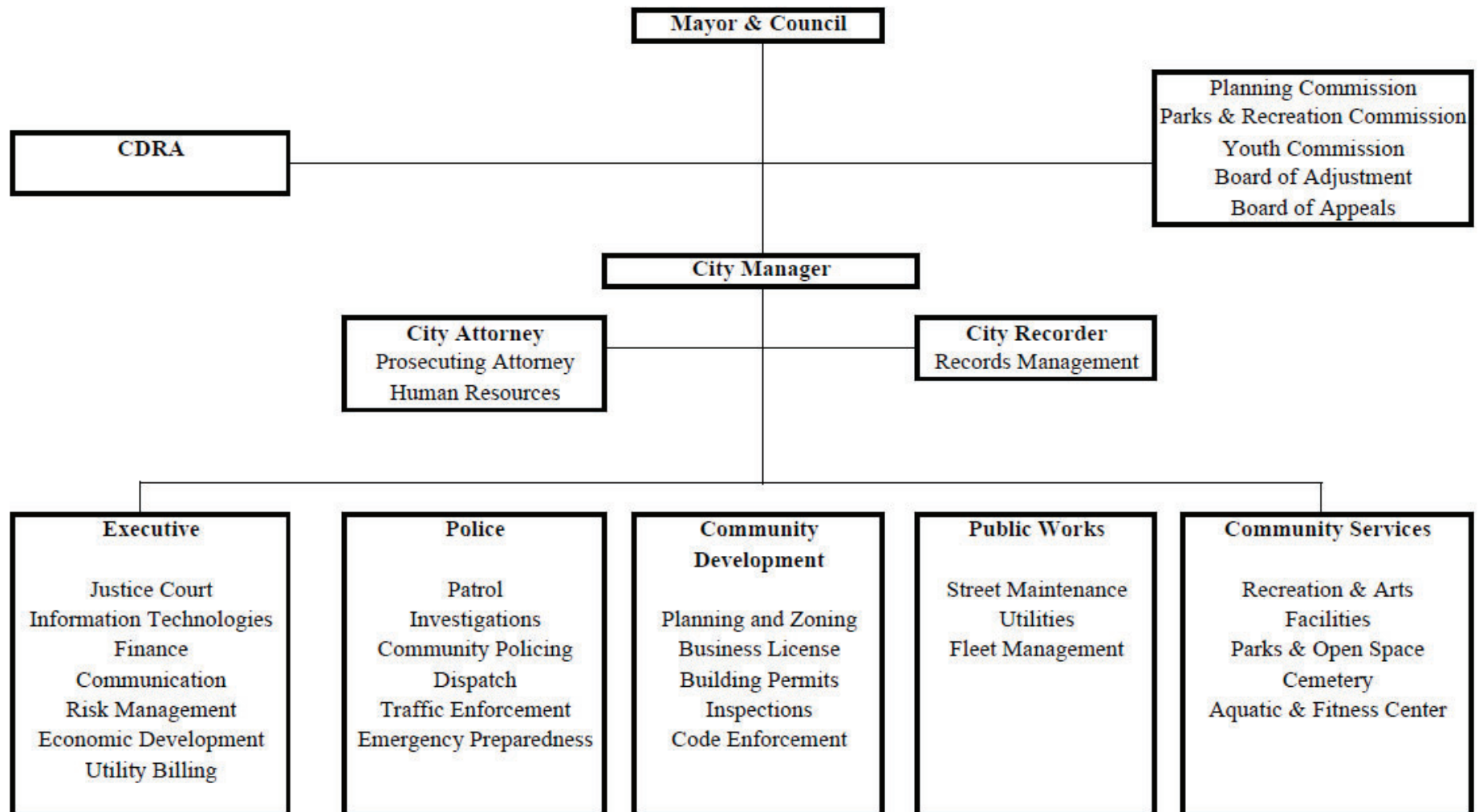
Department Heads

Stacy Millgate	Community Development Director
Adam Favero	Public Works Director
Eric Howes	Community Services Director
Kelly Bennett	Police Chief

Other City Officials

Devon Rogers	Assistant Police Chief
Ricki Miller	Human Resource Manager

Clearfield City, Utah Organization Chart



FINANCIAL SECTION



COMMITTED. EXPERIENCED. TRUSTED.

INDEPENDENT AUDITOR'S REPORT

PARTNERS

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
JESSE S. MALMROSE, EA
JANICE ANDERSON, EA
TROY F. NILSON, CPA

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the 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 on pages 13-22 and pension schedules on pages 69-71 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison information are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

NBMC, LLC

November 20, 2024
Bountiful, Utah

Management's Discussion and Analysis

As management of Clearfield City (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$134,651,821 (net position). The unrestricted net position, which represents the amounts available to meet the City's ongoing obligations to residents and creditors, was \$28,309,100.
- The City's total net position increased \$6,802,840 primarily because of conservative budgeting focused on cash funding future projects. Major revenue increases include a \$1.3M increase in charges for services and a \$400k increase in investment earnings.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$40,005,015, a decrease of \$11,555,257. Of this amount, \$6,863,001, or 17%, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$7,063,569, or approximately 29.5% of total general fund revenues.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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 like a private-sector business.

The *statement of net position* presents financial information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Management's Discussion and Analysis

Both 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 governmental activities of the City include general government, public safety, highways and streets, sanitation, and culture and recreation. The business-type activities of the City include water, sewer, storm, and garbage.

The government-wide financial statements can be found on pages 25-26 of this report.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains three individual governmental funds. During the year, the City decided to suspend use of the *general obligation debt service fund*. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the *general fund*, the *community development and renewal fund (special revenue)*, and the *capital projects fund*, which are major funds. Data from the other two governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for each of its funds. A budgetary comparison statement has been provided for the general fund, to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 27-32 of this report.

Proprietary Funds. The City maintains five proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for utility admin, water, sewer, storm water, and solid waste. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the management of its retained risks and for its fleet of vehicles. Because both services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Management's Discussion and Analysis

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water, sewer, solid waste, and storm, all of which are major funds of the City. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 33-35 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-66 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 69-71.

The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds and pension (and other employee benefit) trust funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 75-82 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$135,053,292 at the close of the most recent fiscal year.

Management's Discussion and Analysis

CLEARFIELD CITY's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 40,373,780	\$ 51,531,523	\$ 20,138,899	\$ 17,322,168	\$ 60,512,679	\$ 68,853,691
Capital assets	71,419,336	59,766,876	39,222,339	40,418,504	110,641,675	100,185,380
Total Assets	111,793,116	111,298,399	59,361,238	57,740,672	171,154,354	169,039,071
Total deferred outflows of resources	2,549,376	1,901,179	280,615	215,014	2,829,991	2,116,193
Current and other liabilities	6,353,821	10,761,990	1,406,322	986,662	7,760,143	11,748,652
Long-term liabilities	28,033,235	28,793,058	163,784	124,101	28,197,019	28,917,159
Total Liabilities	34,387,056	39,555,048	1,570,106	1,110,763	35,957,162	40,665,811
Total deferred inflows of resources	3,374,206	3,040,009	1,156	1,934	3,375,362	3,041,943
Net position						
Net investment in capital assets	42,368,192	35,545,014	39,222,339	40,418,504	81,590,531	75,963,518
Restricted	24,752,190	29,224,237	-	-	24,752,190	29,224,237
Unrestricted	9,460,848	5,835,270	18,848,252	16,424,485	28,309,100	22,259,755
Total Net Position	\$ 76,581,230	\$ 70,604,521	\$ 58,070,591	\$ 56,842,989	\$ 134,651,821	\$ 127,447,510

Current and other assets decreased in governmental activities by \$11.1 million from the prior year, due mainly to spending the remaining \$6.8 million from a 2021 bond.

Current Liabilities in governmental activities increased \$4.4 million from the previous year.

Long-term liabilities, consist of bonds, a purchase agreement, compensated absences, and URS pension obligations decreased by \$720,140 from the previous year, for governmental and business-type activities combined.

By far, the largest portion of the City's net position, \$81,590,531, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), net of accumulated depreciation and less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$24,752,190 represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, the City's unrestricted net position was \$28,309,100.

Management's Discussion and Analysis

The City's overall net position increased \$6,802,840 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

CLEARFIELD CITY's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 8,582,488	\$ 7,289,891	\$ 14,053,087	\$ 12,653,247	\$ 22,635,575	\$ 19,943,138
Operating grants and contributions	2,400,844	2,284,442	-	-	2,400,844	2,284,442
Capital grants and contributions	3,783,144	7,842,366	306,839	884,704	4,089,983	8,727,070
General revenues:						
Property taxes	3,073,059	3,569,853	-	-	3,073,059	3,569,853
Sales taxes	7,263,282	6,833,915	-	-	7,263,282	6,833,915
Energy use and franchise taxes	3,443,185	3,655,535	-	-	3,443,185	3,655,535
Other taxes	438,690	399,831	-	-	438,690	399,831
Investment earnings	2,190,228	1,666,726	867,643	321,831	3,057,871	1,988,557
Miscellaneous	292,162	192,238	46,589	14,375	338,751	206,613
Gain on sale of assets	346,077	1,129,643	-	-	346,077	1,129,643
Total revenues	31,813,159	34,864,440	15,274,158	13,874,157	47,087,317	48,738,597
Expenses:						
General government	7,108,941	6,122,620	-	-	7,108,941	6,122,620
Public safety	8,393,085	7,033,606	-	-	8,393,085	7,033,606
Streets and public improvements	2,405,793	1,596,350	-	-	2,405,793	1,596,350
Culture and recreation	6,571,899	6,634,981	-	-	6,571,899	6,634,981
Community development	1,392,538	2,677,293	-	-	1,392,538	2,677,293
Interest on long-term debt	265,321	930,271	-	-	265,321	930,271
Public utility administration	-	-	439,112	413,567	439,112	413,567
Water utility	-	-	4,558,942	4,760,158	4,558,942	4,760,158
Sewer utility	-	-	5,289,433	4,898,581	5,289,433	4,898,581
Solid waste utility	-	-	1,718,725	1,637,900	1,718,725	1,637,900
Storm drain utility	-	-	1,631,670	1,463,684	1,631,670	1,463,684
Total expenses	26,137,577	24,995,121	13,637,882	13,173,890	39,775,459	38,169,011
Increase (decrease) in net position before transfers	5,675,582	9,869,319	1,636,276	700,267	7,311,858	10,569,586
Transfers	301,127	(3,267,859)	(408,674)	3,267,859	(107,547)	-
Increase (decrease) in net position	5,976,709	6,601,460	1,227,602	3,968,126	7,204,311	10,569,586
Net position - beginning	70,604,521	64,003,061	56,842,989	53,276,334	127,447,510	117,279,395
Prior period adjustment	-	-	-	(401,471)	-	(401,471)
Net position - ending	\$ 76,581,230	\$ 70,604,521	\$ 58,070,591	\$ 56,842,989	\$ 134,651,821	\$ 127,447,510

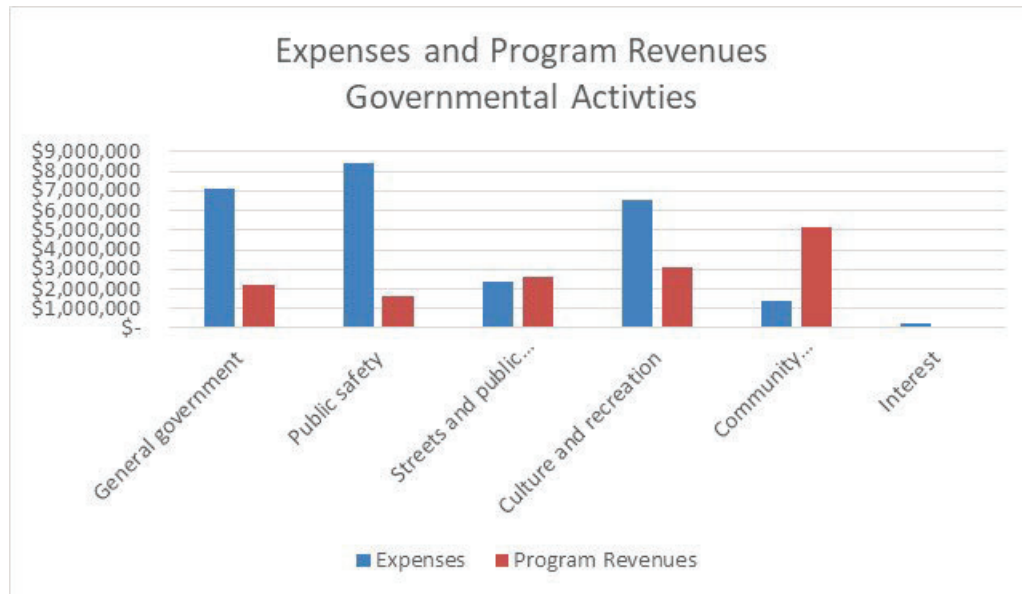
Governmental Activities. During the current fiscal year, net position for governmental activities increased \$5,976,709 million from the prior fiscal year, for an ending balance of \$76,581,230. The increase in the overall net position of governmental activities is primarily due to a \$4 million state grant received during the current year that will provide funds for a current capital project.

Revenues decreased \$3,051,281, primarily due to a decrease in capital grants. Major revenue increases include a \$1.3M increase in charges for services and a \$400k increase in investment earnings. Energy and sales taxes remain the largest sources of revenue, at \$10.4 million for the current fiscal year.

Management's Discussion and Analysis

Expenses increased during the current year, from \$24,995,121 to \$26,137,594. Increased expense is primarily a result of increased payroll costs.

As shown in the chart below, revenues generated by City's programs are not sufficient to cover costs. The City relies on property taxes, sales taxes, investment income and other general revenues to cover the costs associated with the various programs.



Business-type Activities. The results of operations for the current fiscal year increased net position, before transfers, by \$1,636,276. The total increase, including transfers, in net position for all the utility funds was \$1,227,602.

Financial Analysis of Governmental Funds

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

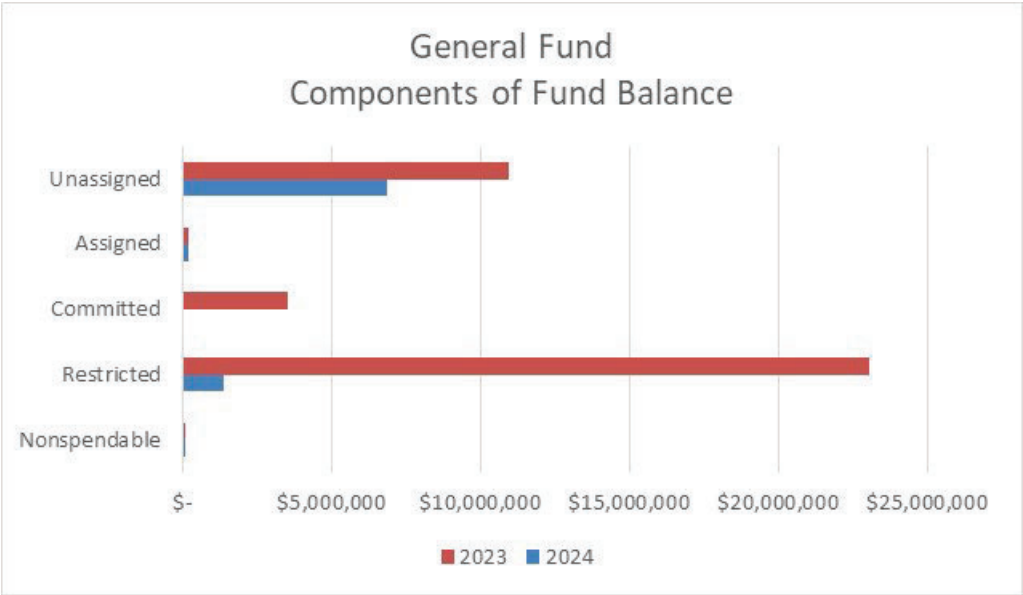
Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

As of June 30, 2024, the City's governmental funds reported combined fund balances of \$40,005,015, a decrease of \$11,555,257 in comparison with the prior year. Of this amount, \$6,863,001, or 17%, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is (1) not in spendable form, \$802,181; (2) restricted for particular purposes, \$24,352,190; (3) committed for particular purposes, \$0 or (4) assigned for particular purposes, \$200,568.

Management’s Discussion and Analysis

Analysis of Individual Funds

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,863,001, while total fund balance decreased to \$8,539,952. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned, assigned, and committed fund balance represents 29.5% of total general fund revenues, while total fund balance represents 36% of that same amount.



The fund balance of the City’s general fund decreased by \$2,819,202 during the current fiscal year. The decrease is a result of a planned use of reserves for capital projects.

The capital projects fund, a major fund, had a \$7,217,366 decrease in fund balance during the current fiscal year, which put the overall fund balance at \$8,645,851.

Proprietary Funds. The City’s proprietary funds provide the same type of information found in the business-type activities portion of the government-wide financial statements, but in more detail. Unrestricted net position of the business-type funds increased \$1,227,602.

Management's Discussion and Analysis

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, there were a couple of significant amendments to increase original budgeted appropriations.

A review of actual expenditures compared to the appropriations in the final budget yields the following significant variances:

- An additional \$3.9M of capital funding was transferred from the general fund to the capital projects fund for additional and future projects.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$110,641,675 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, bridges, intangibles, water treatment and distribution infrastructure, and sewer collection. The total increase in capital assets for the current fiscal year was 10%.

Clearfield City's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land and rights of way	\$ 4,633,960	\$ 4,633,960	\$ 1,404,577	\$ 1,404,577	\$ 6,038,537	\$ 6,038,537
Construction in progress	30,110,684	20,001,295	1,704,145	1,234,897	31,814,829	21,236,192
Water rights and shares	25,200	25,200	9,162	9,162	34,362	34,362
Buildings	13,523,949	14,194,985	4,582,381	4,697,510	18,106,330	18,892,495
Building improvements	8,262,909	7,169,266	506,029	536,954	8,768,938	7,706,220
Equipment and vehicles	3,761,125	3,284,794	209,470	241,623	3,970,595	3,526,417
Infrastructure (as restated)	11,101,509	10,457,376	30,806,575	32,293,781	41,908,084	42,751,157
Total Capital Assets	<u>\$ 71,419,336</u>	<u>\$ 59,766,876</u>	<u>\$ 39,222,339</u>	<u>\$ 40,418,504</u>	<u>\$ 110,641,675</u>	<u>\$ 100,185,380</u>

Management's Discussion and Analysis

Major capital assets events during the current fiscal year included the following:

- Various projects in construction in progress, related to buildings, streets, sidewalks, and utility infrastructure at a cost of \$10,388,013 and \$848,758 for governmental and business-type activities, respectively.
- The purchase of various vehicles and equipment at a total cost of \$1,437,489 within the fleet management fund.

Additional information on the City's capital assets can be found in Note 5 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$25,992,000 and a purchase agreement of \$1,112,532.

Clearfield City's Outstanding Debt

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenue bonds	\$ 25,992,000	\$ 26,879,000	\$ -	\$ -	\$ 25,992,000	\$ 26,879,000
Purchase agreement	1,112,532	1,309,010	-	-	1,112,532	1,309,010
Total	\$ 27,104,532	\$ 28,188,010	\$ -	\$ -	\$ 27,104,532	\$ 28,188,010

The City's total debt decreased by \$1,083,478 (4%) during the current fiscal year.

The City maintained an "AA" rating from Standard & Poor's for general obligation debt. As of June 30, 2024, the City has no general obligation debt.

Additional information on the City's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the City and were considered in developing the FY25 budget.

- A low unemployment rate and high wage growth in comparable governments necessitated increased compensation.
- Water & Sewer use rates were increased to reflect the increasing cost of providing water and sewer, especially capital projects.
- Water, sewer, and storm rates will incrementally increase each year, per the guidance from a recent third-party utility rate study.
- New development and growth led to a higher increase in property tax revenues.
- Fees related to the swift pace of development and redevelopment are also remaining elevated compared to historical levels.
- Strong growth in sales tax revenue is driven by consumer spending at increased prices.
- Investment earnings continue at a higher rate than in the past.
- On the expenditure side, increases are expected in health insurance premiums and wages.

Management's Discussion and Analysis

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Finance Director at 801-525-2720.

BASIC FINANCIAL STATEMENTS

CLEARFIELD CITY, UTAH
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 24,401,746	\$ 17,310,829	\$ 41,712,575
Restricted cash and cash equivalents	7,525,213	576,770	8,101,983
Investments	2,108,194	-	2,108,194
Receivables:			
Accounts, net	181,992	1,401,390	1,583,382
Taxes	4,969,321	-	4,969,321
Intergovernmental receivable	385,133	-	385,133
Prepays	92,676	849,910	942,586
Land held for sale	709,505	-	709,505
Capital assets not being depreciated	34,769,844	3,117,884	37,887,728
Capital assets, net of accumulated depreciation	36,649,492	36,104,455	72,753,947
Total assets	111,793,116	59,361,238	171,154,354
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	94,457	-	94,457
Pension related	2,454,919	280,615	2,735,534
Total deferred outflows of resources	2,549,376	280,615	2,829,991
LIABILITIES			
Accounts payable	2,562,015	1,051,968	3,613,983
Accrued liabilities	771,961	79,619	851,580
Accrued interest payable	277,503	-	277,503
Deposits, retainage, and cash held in trust	904,757	198,040	1,102,797
Intergovernmental payables	29,756	21,444	51,200
Unearned revenue	41,000	-	41,000
Noncurrent liabilities:			
Due within one year			
Bonds, notes, and compensated absences	1,766,829	55,251	1,822,080
Due in more than one year			
Bonds, notes, and compensated absences	26,065,860	6,139	26,071,999
Net pension liability	1,967,375	157,645	2,125,020
Total liabilities	34,387,056	1,570,106	35,957,162
DEFERRED INFLOWS OF RESOURCES			
Property taxes	3,333,541	-	3,333,541
Pension related	40,665	1,156	41,821
Total deferred inflows of resources	3,374,206	1,156	3,375,362
NET POSITION			
Net investment in capital assets	42,368,192	39,222,339	81,590,531
Restricted for:			
Debt service	901,251	-	901,251
Community development projects	8,645,851	-	8,645,851
Capital improvements - redevelopment	11,241,899	-	11,241,899
Culture and recreation purposes	3,622,857	-	3,622,857
Cemetery care	340,332	-	340,332
Public safety	-	-	-
Unrestricted	9,460,848	18,848,252	28,309,100
Total net position	\$ 76,581,230	\$ 58,070,591	\$ 134,651,821

The accompanying notes are an integral part of this financial statement.

CLEARFIELD CITY, UTAH
Statement of Activities
For the Year Ended June 30, 2024

	Program Revenues				Net (Expense) Revenues and Changes in Net Position		
					Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental activities							
General government	\$ 7,108,941	\$ 2,200,864	\$ -	\$ -	\$ (4,908,077)		\$ (4,908,077)
Public safety	8,393,085	1,382,686	286,194	-	(6,724,205)		(6,724,205)
Streets and public improvements	2,405,793	549,389	1,317,678	784,501	245,775		245,775
Culture and recreation	6,571,899	2,835,100	-	267,524	(3,469,275)		(3,469,275)
Community development	1,392,538	1,614,449	796,972	2,731,119	3,750,002		3,750,002
Interest	265,321	-	-	-	(265,321)		(265,321)
Total governmental activities	26,137,577	8,582,488	2,400,844	3,783,144	(11,371,101)		(11,371,101)
Business-type activities							
Public utility administration	439,112	179,896	-	-		\$ (259,216)	(259,216)
Water utility	4,558,942	5,145,384	-	150,661		737,103	737,103
Sewer utility	5,289,433	5,233,926	-	144,922		89,415	89,415
Solid waste utility	1,718,725	1,775,214	-	-		56,489	56,489
Storm drain utility	1,631,670	1,718,667	-	11,256		98,253	98,253
Total business-type activities	13,637,882	14,053,087	-	306,839		722,044	722,044
Total primary government	\$ 39,775,459	\$ 22,635,575	\$ 2,400,844	\$ 4,089,983		722,044	(10,649,057)
General Revenues:							
Taxes							
Property					3,073,059	-	3,073,059
Sales					7,263,282	-	7,263,282
Energy use and franchise					3,443,185	-	3,443,185
Other					438,690	-	438,690
Investment earnings					2,190,228	867,643	3,057,871
Gain on sale of capital assets					346,077	-	346,077
Miscellaneous					292,162	46,589	338,751
Transfers - net					301,127	(408,674)	(107,547)
Total general revenue and transfers					17,347,810	505,558	17,853,368
Change in net position					5,976,709	1,227,602	7,204,311
Net position - beginning (as restated)					70,604,521	56,842,989	127,447,510
Net position - ending					\$ 76,581,230	\$ 58,070,591	\$ 134,651,821

The accompanying notes are an integral part of this financial statement.

CLEARFIELD CITY, UTAH
Balance Sheet – Governmental Funds
June 30, 2024

	General	Special Revenue CRDA	Capital Projects	Total Nonmajor Funds	Total
ASSETS					
Cash and cash equivalents	\$ 5,405,278	\$ 11,455,747	\$ 7,109,101	\$ 62,855	\$ 24,032,981
Restricted cash and cash equivalents	901,251	188,189	3,017,895	3,417,878	7,525,213
Investments	2,108,194	-	-	-	2,108,194
Receivables:					
Accounts, net	181,992	-	-	-	181,992
Taxes	4,969,321	-	-	-	4,969,321
Intergovernmental receivable	385,133	-	-	-	385,133
Due from other funds	-	-	-	-	-
Prepaid items	92,676	-	-	-	92,676
Land held for resale	-	709,505	-	-	709,505
Total assets	\$ 14,043,845	\$ 12,353,441	\$ 10,126,996	\$ 3,480,733	\$ 40,005,015
LIABILITIES					
Accounts payable	\$ 420,414	\$ 402,037	\$ 1,481,145	\$ -	\$ 2,303,596
Liabilities payable from restricted assets	9,928	-	-	-	9,928
Contracts payable	900	-	-	-	900
Retainage payable	846,478	-	-	-	846,478
Accrued liabilities	764,497	-	-	-	764,497
Deposits payable	57,379	-	-	-	57,379
Intergovernmental payables	29,756	-	-	-	29,756
Due to other funds	-	-	-	-	-
Unearned revenue	41,000	-	-	-	41,000
Total liabilities	2,170,352	402,037	1,481,145	-	4,053,534
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	3,333,541	-	-	-	3,333,541
Total deferred inflows of resources	3,333,541	-	-	-	3,333,541
FUND BALANCES					
Nonspendable:					
Prepaid items	92,676	-	-	-	92,676
Land held for resale	-	709,505	-	-	709,505
Restricted:					
Debt service	901,251	-	-	-	901,251
Cemetery care	-	-	-	340,332	340,332
Culture and recreation	482,456	-	-	3,140,401	3,622,857
Community development projects	-	-	8,645,851	-	8,645,851
Capital improvements - redevelopment	-	11,241,899	-	-	11,241,899
Assigned:					
Culture and recreation purposes	200,568	-	-	-	200,568
Unassigned					
	6,863,001	-	-	-	6,863,001
Total fund balances	8,539,952	11,951,404	8,645,851	3,480,733	32,617,940
Total liabilities, deferred inflows of resources and fund balances	\$ 14,043,845	\$ 12,353,441	\$ 10,126,996	\$ 3,480,733	\$ 40,005,015

The accompanying notes are an integral part of this financial statement.

CLEARFIELD CITY, UTAH
Reconciliation of the Balance Sheet - Governmental Funds to the
Statement of Net Position
June 30, 2024

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

Total fund balances - governmental funds	\$ 32,617,940
Capital assets of \$115,897,094, net of accumulated depreciation of \$47,721,736, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	68,175,358
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (URS pension) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	2,429,937
Deferred inflows - pension related	(40,562)
Total deferred outflows and inflows related to postemployment benefits	2,389,375
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Sales tax bonds payable	(25,992,000)
Purchase agreement payable	(1,112,532)
Compensated absences	(728,157)
Accrued interest payable on long-term debt	(277,503)
Total long-term liabilities	(28,110,192)
Governmental funds report the effect of refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amount on refunding	94,457
Net pension liability is not due and payable in the current period, and therefore, is not reported in the funds.	(1,953,341)
Internal service funds are used by management to charge the cost of fleet management and risk management to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.	3,367,633
Net position - governmental activities	<u>\$ 76,581,230</u>

The accompanying notes are an integral part of this financial statement.

CLEARFIELD CITY, UTAH
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds
For the Year Ended June 30, 2024

	General	Special Revenue CRDA	Capital Projects	Total Nonmajor Funds	Total
REVENUES					
Property taxes	\$ 3,073,059	\$ -	\$ -	\$ -	\$ 3,073,059
Sales taxes	7,263,282	-	-	-	7,263,282
Energy use and franchise taxes	3,443,185	-	-	-	3,443,185
Other taxes	438,690	-	-	-	438,690
Licenses and permits	928,007	-	-	-	928,007
Intergovernmental	2,464,279	3,344,639	-	-	5,808,918
Charges for services	4,331,750	-	-	13,300	4,345,050
Fines and forfeitures	608,433	-	-	-	608,433
Investments earnings	1,027,521	549,301	445,866	167,540	2,190,228
Special assessments - impact fees	-	-	-	267,524	267,524
Miscellaneous	166,383	17,291	108,488	-	292,162
Total revenues	23,744,589	3,911,231	554,354	448,364	28,658,538
EXPENDITURES					
Current:					
General government	6,666,289	-	-	-	6,666,289
Public safety	8,021,787	-	-	-	8,021,787
Streets and public improvements	960,640	-	685,429	-	1,646,069
Culture and recreation	5,043,433	-	-	-	5,043,433
Community development	1,042,411	-	-	-	1,042,411
Debt service:					
Principal	1,083,478	-	-	-	1,083,478
Interest and other financial	573,785	-	-	-	573,785
Capital outlay:					
Streets and public improvements	-	452,089	12,148,134	-	12,600,223
Culture and recreation	-	-	-	-	-
Total expenditures	23,391,823	452,089	12,833,563	-	36,677,475
Excess (deficiency) of revenues over expenditures	352,766	3,459,142	(12,279,209)	448,364	(8,018,937)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,270,554	-	5,061,843	186,408	6,518,805
Transfers out	(4,651,251)	(1,566,427)	-	-	(6,217,678)
Sale of general capital assets	208,729	-	-	-	208,729
Total other financing sources (uses)	(3,171,968)	(1,566,427)	5,061,843	186,408	509,856
Net change in fund balances	(2,819,202)	1,892,715	(7,217,366)	634,772	(7,509,081)
Fund balances, beginning of year	11,359,154	10,058,689	15,863,217	2,845,961	40,127,021
Fund balances, end of year	\$ 8,539,952	\$ 11,951,404	\$ 8,645,851	\$ 3,480,733	\$ 32,617,940

The accompanying notes are an integral part of this financial statement.

CLEARFIELD CITY, UTAH
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

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

Net change in fund balances - total governmental funds	\$	(7,509,081)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital outlay	12,600,223	
Depreciation expense	<u>(1,729,462)</u>	
		10,870,761
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		
Capital contributions	<u>107,546</u>	
		107,546
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.		
Principal paid on bonds	887,000	
Principal paid on purchase agreement	<u>196,478</u>	
		1,083,478
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Accrued interest on long-term debt	332,079	
Amortization of bond discount and deferred amounts of refunding	(23,615)	
Compensated absences	29,177	
Changes in pension liabilities and related deferred outflows and inflows of resources	<u>307,637</u>	
		645,278
The internal service funds are used by management to charge the costs of fleet management and risk management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		
		<u>778,727</u>
Change in net position - governmental activities	\$	<u><u>5,976,709</u></u>

The accompanying notes are an integral part of this financial statement.

CLEARFIELD CITY, UTAH
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 3,134,419	\$ 3,134,419	\$ 3,073,059	\$ (61,360)
Sales taxes	7,000,000	7,000,000	7,263,282	263,282
Franchise taxes	3,412,000	3,412,000	3,443,185	31,185
Other taxes	373,000	373,000	438,690	65,690
Licenses and permits	645,900	645,900	928,007	282,107
Intergovernmental	2,426,833	2,426,833	2,464,279	37,446
Charges for services	4,597,921	4,597,921	4,331,750	(266,171)
Fines and forfeitures	476,250	476,250	608,433	132,183
Investments earnings	80,000	80,000	1,027,521	947,521
Miscellaneous	66,400	66,400	166,383	99,983
Total revenues	22,212,723	22,212,723	23,744,589	1,531,866
EXPENDITURES				
Current:				
General government:				
Mayor and council	433,313	433,313	418,868	14,445
Justice court	457,233	493,683	464,892	28,791
City manager	533,129	533,129	505,097	28,032
Recorder	288,566	288,566	275,710	12,856
Legal	648,725	648,725	641,920	6,805
Human resources	433,562	433,562	365,794	67,768
Information technology	1,233,788	1,233,788	1,192,044	41,744
Finance	643,644	643,644	637,232	6,412
Customer service	341,403	341,403	299,316	42,087
Facilities	1,169,556	1,169,556	1,047,263	122,293
Elections	25,000	25,000	22,400	2,600
Non-departmental	726,878	726,878	795,753	(68,875)
Total general government	6,934,797	6,971,247	6,666,289	304,958
Public safety:				
Police	6,613,731	6,904,474	6,517,777	386,697
Dispatch and emergency services	1,133,921	1,162,689	952,785	209,904
Code enforcement and inspections	633,258	636,008	551,225	84,783
Total public safety	8,380,910	8,703,171	8,021,787	681,384
Highways and streets:				
Administrative	190,094	189,667	174,413	15,254
Streets	966,195	1,023,384	786,227	237,157
Total highways and streets	1,156,289	1,213,051	960,640	252,411
Culture and recreation:				
Administrative	570,413	570,413	550,203	20,210
Recreation and events	787,448	787,448	641,189	146,259
Parks and open spaces	1,869,197	1,879,802	1,414,074	465,728
Aquatic center	2,352,888	2,352,985	2,099,211	253,774
Cemetery	165,221	165,221	115,516	49,705
Arts	247,368	247,368	223,240	24,128
Total culture and recreation	5,992,535	6,003,237	5,043,433	959,804
Community development				
Administrative	53,394	136,394	103,421	32,973
Communications	366,572	366,572	335,159	31,413
Federal funds - CDBG	196,108	196,108	185,738	10,370
Planning and zoning	584,824	508,324	418,093	90,231
Total community development	1,200,898	1,207,398	1,042,411	164,987
Debt service:				
Principal	1,083,478	1,083,478	1,083,478	-
Interest and other financial	576,660	576,660	573,785	2,875
Total debt service	1,660,138	1,660,138	1,657,263	2,875
Total expenditures	25,325,567	25,758,242	23,391,823	2,366,419
Excess (deficiency) of revenues over expenditures	(3,112,844)	(3,545,519)	352,766	3,898,285
OTHER FINANCING SOURCES (USES)				
Transfers in	1,225,951	1,225,951	1,270,554	44,603
Transfers out	(4,744,408)	(9,209,253)	(4,651,251)	4,558,002
Sale of capital assets	-	-	208,729	208,729
Total other financing sources (uses)	(3,518,457)	(7,983,302)	(3,171,968)	4,811,334
Net change in fund balance	\$ (6,631,301)	\$ (11,528,821)	(2,819,202)	\$ 8,709,619
Fund balance, beginning of year			11,359,154	
Fund balance, end of year			\$ 8,539,952	

The accompanying notes are an integral part of this financial statement.

CLEARFIELD CITY, UTAH
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Community Development & Renewal Agency Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,032,165	\$ 3,032,165	\$ 3,344,639	\$ 312,474
Investment earnings	100,000	100,000	549,301	449,301
Miscellaneous	-	-	17,291	17,291
Total revenues	<u>3,132,165</u>	<u>3,132,165</u>	<u>3,911,231</u>	<u>779,066</u>
EXPENDITURES				
Capital outlay				
Streets and public improvements	1,525,917	1,575,917	452,089	1,123,828
Total expenditures	<u>1,525,917</u>	<u>1,575,917</u>	<u>452,089</u>	<u>1,123,828</u>
Excess (deficiency) of revenues over expenditures	<u>1,606,248</u>	<u>1,556,248</u>	<u>3,459,142</u>	<u>1,902,894</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(971,816)	(1,568,816)	(1,566,427)	2,389
Total other financing sources (uses)	<u>(971,816)</u>	<u>(1,568,816)</u>	<u>(1,566,427)</u>	<u>2,389</u>
Net change in fund balance	<u>\$ 634,432</u>	<u>\$ (12,568)</u>	<u>1,892,715</u>	<u>\$ 1,905,283</u>
Fund balance, beginning of year			<u>10,058,689</u>	
Fund balance, end of year			<u>\$ 11,951,404</u>	

The accompanying notes are an integral part of this financial statement.

CLEARFIELD CITY, UTAH
Statement of Net Position – Proprietary Funds
June 30, 2024

	Business-type Activities					Governmental Activities
	Public Utility Administration	Water Utility	Sewer Utility	Solid Waste Utility	Storm Drain Utility	Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 267,751	\$ 3,156,217	\$ 5,993,001	\$ 1,790,164	\$ 6,103,696	\$ 17,310,829
Restricted cash and cash equivalents	-	393,127	-	-	183,643	576,770
Accounts receivable, net	24,588	565,889	490,027	157,411	163,475	1,401,390
Prepaid items	-	849,910	-	-	-	849,910
Total current assets	292,339	4,965,143	6,483,028	1,947,575	6,450,814	20,138,899
Noncurrent assets:						
Capital assets:						
Land and right of ways	-	-	-	-	1,404,577	1,404,577
Construction in progress	-	721,475	412,064	121,026	449,580	1,704,145
Water rights and shares	-	9,162	-	-	-	9,162
Buildings	-	4,447,431	1,071,648	1,064,062	1,066,512	7,649,653
Building improvements	-	682,281	49,444	49,332	104,736	885,793
Equipment and vehicles	-	1,488,999	34,697	-	43,450	1,567,146
Infrastructure	-	32,910,965	22,121,886	-	25,576,548	80,609,399
Less accumulated depreciation	-	(22,324,443)	(14,610,077)	(74,954)	(17,598,062)	(54,607,536)
Net capital assets	-	17,935,870	9,079,662	1,159,466	11,047,341	39,222,339
Total noncurrent assets	-	17,935,870	9,079,662	1,159,466	11,047,341	39,222,339
Total assets	292,339	22,901,013	15,562,690	3,107,041	17,498,155	59,361,238
DEFERRED OUTFLOWS OF RESOURCES						
Pension related	33,557	91,357	85,765	12,604	57,332	280,615
LIABILITIES						
Current liabilities:						
Accounts payable	11,779	317,785	474,511	174,484	73,409	1,051,968
Accrued liabilities	10,508	28,788	21,951	3,265	15,107	79,619
Compensated absences	1,356	16,577	17,094	5,975	14,249	55,251
Customer deposits payable	198,040	-	-	-	-	198,040
Total current liabilities	221,683	363,150	535,000	183,724	102,765	1,406,322
Noncurrent liabilities:						
Compensated absences	151	1,842	1,899	664	1,583	6,139
Net pension liability	18,852	51,322	48,182	7,081	32,208	157,645
Total noncurrent liabilities	19,003	53,164	50,081	7,745	33,791	163,784
Total liabilities	240,686	416,314	585,081	191,469	136,556	1,570,106
DEFERRED INFLOWS OF RESOURCES						
Pension related	138	377	353	52	236	1,156
NET POSITION						
Net investment in capital assets	-	17,935,870	9,079,662	1,159,466	11,047,341	39,222,339
Unrestricted	85,072	4,639,809	5,983,359	1,768,658	6,371,354	18,848,252
Total net position	\$ 85,072	\$ 22,575,679	\$ 15,063,021	\$ 2,928,124	\$ 17,418,695	\$ 58,070,591

The accompanying notes are an integral part of this financial statement.

CLEARFIELD CITY, UTAH
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
For the Year Ended June 30, 2024

	Business-type Activities					Governmental Activities
	Public Utility Administration	Water Utility	Sewer Utility	Solid Waste Utility	Storm Drain Utility	Internal Service Funds
OPERATING REVENUES						
Charges for services:						
Metered sales and connection fees	\$ 15,081	\$ 5,145,384	\$ 5,233,926	\$ -	\$ 1,718,667	\$ 12,113,058
Collection fees	-	-	-	1,775,214	-	1,775,214
Fleet management	-	-	-	-	-	2,205,516
Risk management	-	-	-	-	-	436,585
Fines and late fees	164,815	-	-	-	-	164,815
Miscellaneous	-	1,193	45,396	-	-	46,589
Total operating revenues	179,896	5,146,577	5,279,322	1,775,214	1,718,667	14,099,676
OPERATING EXPENSES						
Personnel services	220,218	573,314	535,861	77,482	357,227	1,764,102
Materials and supplies	216,281	677,067	533,913	45,856	287,644	1,760,761
Contractual services	-	2,346,020	3,584,624	1,556,288	263,688	7,750,620
Depreciation	-	932,048	602,879	27,687	711,958	2,274,572
Total operating expenses	436,499	4,528,449	5,257,277	1,707,313	1,620,517	13,550,055
Operating income (loss)	(256,603)	618,128	22,045	67,901	98,150	549,621
NONOPERATING REVENUES (EXPENSES)						
Intergovernmental	-	-	-	-	-	-
Investment earnings	-	172,432	298,926	92,850	303,435	867,643
Gain (loss) on disposal of capital assets	-	-	-	-	-	-
Interest expense and bank fees	(2,613)	(30,493)	(32,156)	(11,412)	(11,153)	(87,827)
Total nonoperating revenues (expenses)	(2,613)	141,939	266,770	81,438	292,282	779,816
Income (loss) before transfers and other	(259,216)	760,067	288,815	149,339	390,432	1,329,437
Special assessment - impact fees	-	150,661	144,922	-	11,256	306,839
Transfers in	300,698	-	-	-	-	300,698
Transfers out	-	(331,635)	(183,956)	(14,042)	(179,739)	(709,372)
Change in net position	41,482	579,093	249,781	135,297	221,949	1,227,602
Net position, beginning of year (as restated)	43,590	21,996,586	14,813,240	2,792,827	17,196,746	56,842,989
Net position, ending of year	\$ 85,072	\$ 22,575,679	\$ 15,063,021	\$ 2,928,124	\$ 17,418,695	\$ 58,070,591

The accompanying notes are an integral part of this financial statement.

CLEARFIELD CITY, UTAH
Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2024

	Enterprise Funds					Governmental Activities	
	Public Utility Administration	Water Utility	Sewer Utility	Solid Waste Utility	Storm Drain Utility	Total	Internal Service Funds
Cash flows from operating activities							
Receipts from customers and users	\$ 182,256	\$ 5,081,986	\$ 5,246,448	\$ 1,776,630	\$ 1,708,148	\$ 13,995,468	\$ 2,700,998
Payments to suppliers	(224,735)	(2,815,306)	(3,968,409)	(1,623,323)	(526,502)	(9,158,275)	(977,321)
Payments to employees	(222,806)	(566,238)	(536,959)	(76,395)	(352,730)	(1,755,128)	(176,131)
Net cash provided (used) by operating activities	(265,285)	1,700,442	741,080	76,912	828,916	3,082,065	1,547,546
Cash flows from noncapital financing activities							
Cash paid for bank fees	(2,613)	(30,493)	(32,156)	(11,412)	(11,153)	(87,827)	-
Intergovernmental operating grants	-	-	-	-	-	-	-
Transfers (to) from other funds	300,698	(331,635)	(183,956)	(14,042)	(179,739)	(408,674)	-
Net cash provided (used) by noncapital financing activities	298,085	(362,128)	(216,112)	(25,454)	(190,892)	(496,501)	-
Cash flows from capital and related financing activities							
Acquisition of capital assets	-	(713,774)	(209,444)	(72,870)	(82,319)	(1,078,407)	(1,420,733)
Proceeds from sale of assets	-	-	-	-	-	-	204,276
Proceeds from developer impact fees	-	150,661	144,922	-	11,256	306,839	-
Net cash provided (used) by capital and related financing activities	-	(563,113)	(64,522)	(72,870)	(71,063)	(771,568)	(1,216,457)
Cash flows from investing activities							
Interest on investments	-	172,432	298,926	92,850	303,435	867,643	-
Net cash provided by investing activities	-	172,432	298,926	92,850	303,435	867,643	-
Net increase (decrease) in cash and cash equivalents	32,800	947,633	759,372	71,438	870,396	2,681,639	331,089
Cash and cash equivalents, beginning of year	234,951	2,601,711	5,233,629	1,718,726	5,416,943	15,205,960	37,676
Cash and cash equivalents, end of year	\$ 267,751	\$ 3,549,344	\$ 5,993,001	\$ 1,790,164	\$ 6,287,339	\$ 17,887,599	\$ 368,765
As presented on the statement of net position:							
Cash and cash equivalents	\$ 267,751	\$ 3,156,217	\$ 5,993,001	\$ 1,790,164	\$ 6,103,696	\$ 17,310,829	\$ 368,765
Restricted cash and cash equivalents	-	393,127	-	-	183,643	576,770	-
Total Cash	\$ 267,751	\$ 3,549,344	\$ 5,993,001	\$ 1,790,164	\$ 6,287,339	\$ 17,887,599	\$ 368,765
Reconciliation of operating income to net cash provided (used) by operating activities							
Operating income (loss)	\$ (256,603)	\$ 618,128	\$ 22,045	\$ 67,901	\$ 98,150	\$ 549,621	\$ 641,379
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	-	932,048	602,879	27,687	711,958	2,274,572	679,652
Net pension adjustment	(5,098)	(8,566)	(8,699)	(1,204)	(4,785)	(28,352)	(2,082)
Changes in assets and liabilities:							
Accounts receivable	2,360	(64,591)	(32,874)	1,416	(10,519)	(104,208)	-
Prepays	-	(30,884)	-	-	-	(30,884)	-
Accounts payable	11,371	238,665	150,128	(21,179)	24,830	403,815	227,606
Accrued liabilities	2,044	11,029	3,274	610	3,439	20,396	991
Deposits and retainage	(19,825)	-	-	-	-	(19,825)	-
Compensated absences	466	4,613	4,327	1,681	5,843	16,930	-
Net cash provided (used) by operating activities	\$ (265,285)	\$ 1,700,442	\$ 741,080	\$ 76,912	\$ 828,916	\$ 3,082,065	\$ 1,547,546

The accompanying notes are an integral part of this financial statement.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The basic financial statements of Clearfield City, Utah (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

The City operates under a City Manager / Council form of government. These financial statements present the City and its component unit, an entity for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of that organization or there is a potential for that organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The component unit discussed below is included as part of the City's reporting entity as a blended component unit.

Component Unit

The Clearfield City Community Development and Renewal Agency (CRDA) was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. The CRDA is governed by a board of trustees composed of the City Mayor and members of the City Council. Although it is a legally separate entity from the City, the CRDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the CRDA. The CRDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the CRDA.

Government-Wide and Fund Financial Statements

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

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an *other financing source*. Amounts paid to reduce the long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current 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. Governmental funds do not report donated capital assets received unless the sale of those assets is imminent. The assets are reported in the government-wide financial statements.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Sales taxes, use taxes, franchise taxes, and earned but unreimbursed state and federal grants 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. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The *community development & renewal agency fund* accounts for and reports community development and renewal transactions conducted by the City, including property acquisition, site improvements, preparation cost, installation of public improvements, and administration cost, most of which are funded through property taxes and rents charged on the properties held by the City.

The *capital projects fund* accounts for and reports the ongoing acquisition and replacement of major capital assets and infrastructure improvements needed to maintain the operations of the City. General government resources provide the primary source of funding, while grants and other government resources provide additional funding, as available.

The government reports the following major enterprise funds:

The *public utility administration fund* accounts for and reports the administration of the City's public utility system, specifically related to service charges and late fees charged to customers that offset the cost of utility shut-off.

The *water utility fund* accounts for and reports the activities of the City's water distribution operations.

The *sewer utility fund* accounts for and reports the activities of the City's sewer operations.

The *waste collection fund* accounts for and reports the activities of the City's waste collection operations.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Additionally, the City reports the following fund types:

The *fleet management internal service fund* accounts for and reports the fleet vehicles owned by the City.

The *risk management internal service fund* accounts for and reports risk management for the City.

As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by various enterprise funds for the providing of administrative and billing services for such funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

Cash, Cash Equivalents, and Investments

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

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Cash, Cash Equivalents, and Investments (Continued)

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.

Certain resources of the City's governmental funds are set aside for the following: debt, class C roads, capital improvements, and E911 as required by applicable federal and state regulations. During the year, the City contracted with Layton City to take over operations of the E911 services, resulting in current and future operating cost savings for the City.

Receivables

All trade, property, sales, and franchise tax receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivable more than 180 days comprise the trade accounts receivable allowance for uncollectible accounts.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to or due from other funds."

Other receivables as of June 30, 2024, consist of property tax, franchise tax, sales tax, grants, fines, and accounts (billings for user charged services, including unbilled utility services). Taxes, grants and fines are deemed collectible in full. The allowance for doubtful proprietary account receivables at June 30, 2024 is \$0.

Sales taxes are collected by the State Tax Commission and remitted to the City monthly. Franchise taxes are collected by telephone, natural gas companies, electric utilities, and by cable TV operations. Funds collected are remitted to the City monthly.

Inventories

Inventories represent mainly supplies and parts used for various utility projects and is valued using the first-in/first-out (FIFO) method. As of June 30, 2024, the City did not record any inventory balances.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, using the consumption method, in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets, donated works of art, historical treasures and similar assets, and capital assets received in a service concession arrangement are recorded at acquisition value.

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

<u>Assets</u>	<u>Years</u>
Buildings	15 - 50
Public domain infrastructure	50
System infrastructure	30
Building improvements	15 - 20
Vehicles	5 - 10
Equipment	3 - 7

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Compensated Absences

City employees are granted vacation and sick leave in varying amounts, based on length of service. Unused vacation up to 240 hours may carry over into the next year and is paid upon termination. Sick leave more than 80 hours may be converted to five days of vacation leave or to cash at one-fourth of the value.

Sick leave is forfeited upon termination. Certain eligible employees can, upon retirement, convert unused sick leave into prepaid health insurance premiums (up to 5 years) or receive an equivalent lump sum payment.

The government's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary related benefits, where applicable.

Unearned revenue

Unearned revenue for the City represents amounts received on donations whose purpose restrictions have not been met. Revenue is recognized only when all restrictions on those funds are satisfied.

Deferred Inflows and Outflows of Resources

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

This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, and discounts are deferred and amortized over the life of the applicable debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension asset and 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.

Fund Balance/Net Position

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

Nonspendable fund balance - Amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

Restricted fund balance - Amounts restricted by enabling legislation. Also reported if (a) externally imposed by creditors, grantors, contributors, or laws/regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council. That formal action is by adoption of an ordinance prior to the end of the fiscal year. The commitment can only be removed through the same action.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Assigned fund balance - Amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The City Council has by resolution authorized the finance director 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.

Unassigned fund balance - 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 specific purpose within the General Fund.

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

Net investment in capital assets - Capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position - Net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Restricted Assets

Restricted assets are comprised of cash restricted for future payments of principal and interest on debt service as well as unexpended portions of bonds issued for capital construction purposes. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Change in Accounting Principles – GASB 96

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which establishes criteria for identifying and properly reporting SBITAs for all state and local governments. To the extent relevant, the standards are based on the standards established in Statement No. 87, *Leases*.

The City has adopted this standard for the fiscal year ended June 30, 2023. However, an in-depth analysis of the City's agreements found no SBITAs which are subject to GASB 96, as of June 30, 2024.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Budgets are prepared and adopted by the City Council, in accordance with Utah State law, on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general, special revenue, debt service, and capital projects funds. Tentative budgets must be adopted on or before June 22nd for the following fiscal year, beginning July 1st. Final adoption of the budget must be no later than August 17th. Budgets may be increased by resolution of the Council at any time during the year. A public hearing must be held regarding any proposed increase in a fund's appropriations. The budget is adopted by fund, function, and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between Departments require the approval of the City Council. The legal level of budgetary control is at the departmental level. Appropriations lapse as of June 30th.

Budgets for the General Fund, Special Revenue Funds, and Capital Projects Funds are prepared using the modified accrual basis of accounting. Encumbrances are used only as an internal management control device during the year. Appropriations lapse at year end. Therefore, encumbrances are not reflected in the accompanying financial statements. However, encumbrances generally are appropriated and honored as part of the following year's budget. The Council made several supplemental budgetary appropriations throughout the year. Budget and actual statements for funds reported as major are included in this report. The supplemental budgetary appropriations made in nonmajor funds were not material.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Fund Balance Compliance

Utah State Law allows for any unassigned fund balance of more than 5% of total revenues of the General Fund to be utilized for budget purposes. The law also allows for the accumulation of a fund balance in the General Fund in an amount equal to 35% of the total current year revenue of the General Fund. If the fund balance, at the end of the fiscal year, is more than that allowed, the City has one year to determine an appropriate use and then the excess must be included as an available resource in the General Fund budget. For the current year, the City is in compliance based on the above range. As of June 30, 2024, unrestricted general fund balance was 29.75% of total general fund revenues, excluding *other financing sources (uses)*.

State law states the governing body of any city may not make any appropriation in the final budget of any fund more than the estimated expendable revenue for the budget period of the fund.

Tax Revenues

Property taxes are collected by the Davis County Treasurer and remitted to the City in five to six installments in November, December, and January of each fiscal year and a final settlement by March 31st. Taxes are levied and are due and payable on November 1st and delinquent after November 30th of each year at which time they become liens if not paid. An accrual of delinquent current and prior year's property taxes beyond that which was received within 60 days after fiscal year end has not been made, as the amounts are not deemed material. An accrual for current year property taxes estimated to be collected the following November and December is made each year.

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

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

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and Investments

Deposits and investments for the City are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, “the Act”) and by rules of the Utah Money Management Council (the Council). Following are discussions of the City’s exposure to various risks related to its cash management activities.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City’s deposits may not be recovered. The City’s policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the City to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Council. At times during the year, the City’s bank balances may have exceeded the insured levels under FDIC guidelines.

Credit Risk

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

The Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, and to promote measures that will assist in strengthening the banking and credit structure of the State. The Utah Money Management Council also reviews the rules adopted under the authority of the UMMA that relate to the deposit and investment of public funds. As of June 30, 2024, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1 year	1 - 5 years
Utah Public Treasurer Investment Fund	\$ 29,108,792	\$ 29,108,792	\$ -
Corporate bonds	22,127,127	10,036,119	12,091,008
Total Investments at Fair Value	<u>\$ 51,235,919</u>	<u>\$ 39,144,911</u>	<u>\$ 12,091,008</u>

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

As of June 30, 2024, the City had the following investments and quality ratings:

Investment Type	Fair Value	Quality Rating		
		A - AAA	B	Unrated
Utah Public Treasurer Investment Fund	\$ 29,108,792	\$ 12,950	\$ -	\$ 29,095,842
Corporate bonds	22,127,127	21,887,164	-	239,963
Total Investments at Fair Value	<u>\$ 51,235,919</u>	<u>\$ 21,900,114</u>	<u>\$ -</u>	<u>\$ 29,335,805</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by limiting the maximum length of investment maturity to five years.

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). 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 those in Level 1; and
- *Level 3*: Unobservable inputs.

As of June 30, 2024, the City had the following recurring fair value measurements:

Investments by Fair Value Level	Fair Value	Level 1	Level 2	Level 3
Utah Public Treasurer Investment Fund	\$ 29,108,792	\$ -	\$ 29,108,792	\$ -
Corporate bonds	22,127,127	-	22,127,127	-
Total Investments at Fair Value	<u>\$ 51,235,919</u>	<u>\$ -</u>	<u>\$ 51,235,919</u>	<u>\$ -</u>

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Public Treasurers Investment Fund (PTIF) – External Investment Pool

The City invests in the external investment pool which is administered by the Treasurer of the State of Utah. State agencies, municipalities, counties, and local governments within the state are allowed to invest in the PTIF. There is no required participation and no minimum balance or minimum/maximum transaction requirements.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Chapter 51-7, Utah Code Annotated, 1953, as amended. The Act establishes the Money Management Council which oversees the activities of the State Treasurer and the PTIF. The Act details the investments that are authorized, which are high-grade securities, and therefore, there is very little credit risk except in the most unusual and unforeseen circumstances.

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah and participants share proportionally in any realized gains or losses on investments.

The PTIF allocates income and issues statements on a monthly basis. The PTIF operates and reports to participants on an amortized cost basis.

Twice a year, at June 30 and December 31, the investments are valued at fair value.

As of June 30, 2024, the City had \$29,108,792 invested in the PTIF. Due to the insignificance of the amount of unrealized gains and losses in relation to the funds affected by these changes, the fair value of investments in this external investment pool is deemed to be the amortized cost of the investment.

4. RECEIVABLES

Receivables as of June 30, 2024 for the City's governmental and business-type funds, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Business-Type Utility Funds	Total
Receivables:			
Accounts, net	\$ 181,992	\$ 1,401,390	\$ 1,583,382
Property taxes	3,391,497	-	3,391,497
Sales taxes	1,296,179	-	1,296,179
Franchise taxes	277,323	-	277,323
Other taxes	4,322	-	4,322
Gross receivables	5,151,313	1,401,390	6,552,703
Less: allowance for doubtful accounts	-	-	-
Total receivables, net	<u>\$ 5,151,313</u>	<u>\$ 1,401,390</u>	<u>\$ 6,552,703</u>

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

5. CAPITAL ASSETS

Capital Assets

Capital asset activity for the year ended June 30, 2024 for governmental activities was as follows:

	07/01/23	Increases	Decreases	Transfers	06/30/24
<u>Governmental activities</u>					
Capital assets, not being depreciated:					
Land and rights of way	\$ 4,633,960	\$ -	\$ -	\$ -	\$ 4,633,960
Construction in progress	20,001,295	10,388,013	-	(278,624)	30,110,684
Water rights and shares	25,200	-	-	-	25,200
Total capital assets, not being depreciated	24,660,455	10,388,013	-	(278,624)	34,769,844
Capital assets, being depreciated:					
Buildings	27,588,905	-	-	-	27,588,905
Building improvements	9,836,689	1,615,952	-	-	11,452,641
Equipment and vehicles	10,603,309	1,437,489	(365,848)	-	11,674,950
Infrastructure	36,557,463	579,502	-	386,170	37,523,135
Total capital assets, being depreciated	84,586,366	3,632,943	(365,848)	386,170	88,239,631
Accumulated depreciation:					
Buildings	(13,393,920)	(671,036)	-	-	(14,064,956)
Building improvements	(2,667,423)	(522,309)	-	-	(3,189,732)
Equipment and vehicles	(7,318,515)	(894,230)	298,920	-	(7,913,825)
Infrastructure	(26,100,087)	(321,539)	-	-	(26,421,626)
Total accumulated depreciation	(49,479,945)	(2,409,114)	298,920	-	(51,590,139)
Total capital assets being depreciated, net	35,106,421	1,223,829	(66,928)	386,170	36,649,492
Governmental capital assets, net	\$ 59,766,876	\$ 11,611,842	\$ (66,928)	\$ 107,546	\$ 71,419,336

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

5. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended June 30, 2024, for business-type activities was as follows:

	07/01/23	Increases	Decreases	Transfers	06/30/24
<u>Business-type activities</u>					
Capital assets, not being depreciated:					
Land and rights of ways	\$ 1,404,577	\$ -	\$ -	\$ -	\$ 1,404,577
Construction in progress	1,234,897	848,758	-	(379,510)	1,704,145
Water rights and shares	9,162	-	-	-	9,162
Total capital assets, not being depreciated	2,648,636	848,758	-	(379,510)	3,117,884
Capital assets, being depreciated:					
Buildings	7,649,653	-	-	-	7,649,653
Building improvements	885,793	-	-	-	885,793
Equipment and vehicles	1,567,146	-	-	-	1,567,146
Infrastructure	80,000,240	337,196	-	271,963	80,609,399
Total capital assets, depreciated	90,102,832	337,196	-	271,963	90,711,991
Accumulated depreciation:					
Buildings	(2,952,143)	(115,129)	-	-	(3,067,272)
Building improvements	(348,839)	(30,925)	-	-	(379,764)
Equipment and vehicles	(1,325,523)	(32,153)	-	-	(1,357,676)
Infrastructure (as restated)	(47,706,459)	(2,096,365)	-	-	(49,802,824)
Total accumulated depreciation	(52,332,964)	(2,274,572)	-	-	(54,607,536)
Total capital assets being depreciated, net	37,769,868	(1,937,376)	-	271,963	36,104,455
Business-type capital assets, net	\$ 40,418,504	\$ (1,088,618)	\$ -	\$ (107,547)	\$ 39,222,339

In the government-wide financial statements depreciation was charged as follows by program or activity:

Governmental activities:	
General government	\$ 466,827
Public safety	248,807
Streets and public improvements	526,869
Culture and recreation	1,000,420
Community development	166,191
Total depreciation expense - governmental activities	<u>\$ 2,409,114</u>
Business-type activities:	
Water utility	\$ 932,048
Sewer utility	602,879
Solid waste utility	27,687
Storm drain utility	711,958
Total depreciation expense - business-type activities	<u>\$ 2,274,572</u>

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2024, no interfund balances existed.

Transfers were made which will not be repaid. Such amounts for the fiscal year ended June 30, 2024 were as follows:

	Transfers in:				Total
	Governmental funds			Enterprise funds	
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Public Utility Admin Fund	
Transfers out:					
General fund	\$ -	\$ 4,464,843	\$ 186,408	\$ -	\$ 4,651,251
CDRA fund	969,427	597,000	-	-	1,566,427
Public utility admin fund	-	-	-	-	-
Water fund	227,017	-	-	104,618	331,635
Sewer fund	74,110	-	-	109,846	183,956
Solid waste fund	-	-	-	14,042	14,042
Storm drain fund	-	-	-	72,192	72,192
	<u>\$ 1,270,554</u>	<u>\$ 5,061,843</u>	<u>\$ 186,408</u>	<u>\$ 300,698</u>	<u>\$ 6,819,503</u>

During the year, \$107,547 of capital assets originally recorded in the storm water fund were transferred to governmental activities. This transfer is not reflected in the table above.

7. LONG-TERM DEBT

The City has bonds, a purchase agreement, compensated absences, and net pension liability payables. Long-term debts outstanding as of June 30, 2024 are as follows:

	07/01/23	Increases	Decreases	06/30/24	Due in One Year
Governmental activities					
Bonds payable:					
Revenue bonds	\$ 26,879,000	\$ -	\$ (887,000)	\$ 25,992,000	\$ 909,000
Compensated absences	757,334	651,788	(680,965)	728,157	655,341
Purchase agreement	1,309,010	-	(196,478)	1,112,532	202,488
Net pension liability - actuarily funded	1,606,282	-	-	1,606,282	-
Total governmental activities	<u>\$ 30,551,626</u>	<u>\$ 651,788</u>	<u>\$ (1,764,443)</u>	<u>\$ 29,438,971</u>	<u>\$ 1,766,829</u>
Business-type activities					
Compensated absences	\$ 44,460	\$ 43,299	\$ (93,251)	\$ (5,492)	\$ 39,977
Net pension liability - actuarily funded	119,618	119,618	-	239,236	-
Total business-type activities	<u>\$ 164,078</u>	<u>\$ 162,917</u>	<u>\$ (93,251)</u>	<u>\$ 233,744</u>	<u>\$ 39,977</u>

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

7. LONG-TERM DEBT (CONTINUED)

Revenue Bonds

The City has issued revenue bonds, where the revenues and assets of the issuing fund are pledged as security for the bonds.

Purchase Agreement

In 2017, the City entered into a purchase agreement for the acquisition of energy efficient equipment originally valued at \$2,423,270. None of the items of equipment individually meets the City's capitalization limits.

A summary of the long-term bonds, by type, and the purchase agreement, are as follows:

	Original Borrowing	Interest Rates	Final Maturity	06/30/24
Governmental activities				
Bonds payable:				
Sales Tax Revenue Bonds, Series 2021	\$ 21,764,000	.40% - 3.20%	7/1/2044	\$ 21,608,000
Sales Tax Revenue Refunding Bonds, Series 2016	9,592,000	2.40%	7/1/2028	4,384,000
Total bonds payable	<u>31,356,000</u>			<u>25,992,000</u>
Purchase agreement:				
Equipment note 2016	2,423,270	1.98%	8/5/2029	1,112,532
Total governmental activities	<u>\$ 33,779,270</u>			<u>\$ 27,104,532</u>

The future principal and interest lease payments as of June 30, are as follows:

Year Ending June 30,	Bonds payable		Purchase agreement		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 909,000	\$ 527,047	\$ 202,488	\$ 21,032	\$ 1,111,488	\$ 548,079
2026	936,000	506,305	208,637	16,994	1,144,637	523,299
2027	956,000	484,912	214,927	12,832	1,170,927	497,744
2028	1,454,000	460,540	221,361	8,545	1,675,361	469,085
2029	1,629,000	432,103	188,619	4,131	1,817,619	436,234
2030-2034	5,465,000	1,909,017	76,500	757	5,541,500	1,909,774
2035-2039	6,234,000	1,424,455	-	-	6,234,000	1,424,455
2040-2044	6,833,000	717,582	-	-	6,833,000	717,582
2045-2047	1,576,000	25,216	-	-	1,576,000	25,216
	<u>\$ 25,992,000</u>	<u>\$ 6,487,177</u>	<u>\$ 1,112,532</u>	<u>\$ 64,291</u>	<u>\$ 27,104,532</u>	<u>\$ 6,551,468</u>

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

8. 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; injuries to employees; and natural disasters. The City uses an insurance broker to manage its risk of loss, by purchasing appropriate insurance policies. As of June 30, 2024 there were no outstanding unpaid claims. Also, the City had no claim settlements during the three years ending June 30, 2024 which exceeded its insurance coverage.

9. URS PENSION

Plan Description

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

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, public employee retirement system.
- Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost-sharing, public employee retirement system.
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters 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 work on or after July 1, 2011, who have no previous service credit with URS, 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.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

9. URS PENSION (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:

Summary of Benefits by System

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent Per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year all years	Up to 2.50%
Tier 2 Public Safety and Firefighters System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year to June 2020 2.00% per year July 2020 to present	Up to 2.50%

*Actuarial reductions are applied.

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

Contribution Rate Summary

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

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

9. URS PENSION (CONTINUED)

Contribution rates as of June 30, 2024 are as follows:

	Tier 1 - DB System			Tier 2 - DB System				Tier 2 - 401(k) Option			
	Employee	Employer	Employer 401(k)	Tier 2 Fund	Employee	Employer	Employer 401(k)	Tier 2 Fund	Employee	Employer	Employer 401(k)
Noncontributory System											
System											
15 - Local Government	-	17.97%	-	111	-	16.01%	0.18%	211	-	6.19%	10.00%
Public Safety System											
Noncontributory											
43 - Other Div A 2.5% COLA	-	34.04%	-	122	2.59%	25.83%	-	222	-	11.83%	14.00%

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

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

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 544,697	\$ -
Public Safety System	242,429	-
Tier 2 Public Employees System	384,085	94
Tier 2 Public Safety and Firefighter	471,660	48,878
Tier 2 DC Public Employees Plan	47,958	58
Tier 2 DC Public Safety and Firefighter Plan	35,272	56
Total Contributions	\$ 1,726,101	\$ 49,086

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.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

9. URS PENSION (CONTINUED)

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

As of June 30, 2024, the City reported a net pension asset of \$0 and a net pension liability of \$2,122,200.

	Measurement Date: December 31, 2021				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2022	Change (Decrease)
Noncontributory System	\$ -	\$ 793,378	0.3420373%	0.3619035%	-0.0198662%
Public Safety System	-	992,318	0.6938486%	0.7362625%	-0.0424139%
Tier 2 Public Employees System	-	177,344	0.0911146%	0.1075229%	-0.0164083%
Tier 2 Public Safety and Firefighter	-	159,160	0.4225244%	0.4426446%	-0.0201202%
Total Net Pension Asset / Liability	\$ -	\$ 2,122,200			

The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2024, the City recognized pension expense of \$1,387,233.

As of June 30, 2024, the reported deferred outflows of resources and deferred inflows of resources related to pensions are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 870,359	\$ 13,769
Changes in assumptions	542,749	3,406
Net difference between projected and actual earnings on pension plan investments	436,721	-
Changes in proportion and differences between contributions and proportionate share of contributions	48,727	24,724
Contributions subsequent to the measurement date	832,154	-
Total	\$ 2,730,710	\$ 41,899

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

9. URS PENSION (CONTINUED)

\$832,154 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2023.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	\$ 536,128
2025	396,471
2026	834,812
2027	(146,587)
2028	32,959
Thereafter	202,874

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

For the year ended June 30, 2024, the City recognized pension expense of \$566,882.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 555,532	\$ -
Changes in assumptions	238,076	-
Net difference between projected and actual earnings on pension plan investments	258,000	-
Changes in proportion and differences between contributions and proportionate share of contributions	11,762	-
Contributions subsequent to the measurement date	258,249	-
Total	<u>\$ 1,321,619</u>	<u>\$ -</u>

\$258,251 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2023.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

9. URS PENSION (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:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	\$ 358,465
2025	328,209
2026	485,057
2027	(108,361)
2028	-
Thereafter	-

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

For the year ended June 30, 2024, the City recognized pension expense of \$385,560.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 172,915	\$ -
Changes in assumptions	87,196	-
Net difference between projected and actual earnings on pension plan investments	142,040	-
Changes in proportion and differences between contributions and proportionate share of contributions	860	16,856
Contributions subsequent to the measurement date	116,035	-
Total	<u>\$ 519,046</u>	<u>\$ 16,856</u>

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

9. URS PENSION (CONTINUED)

\$116,035 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2023.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	\$ 145,624
2025	24,900
2026	277,421
2027	(61,790)
2028	-
Thereafter	-

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

For the year ended June 30, 2024, the City recognized pension expense of \$231,722.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 56,802	\$ 2,904
Changes in assumptions	101,511	140
Net difference between projected and actual earnings on pension plan investments	20,026	-
Changes in proportion and differences between contributions and proportionate share of contributions	22,980	4,076
Contributions subsequent to the measurement date	204,994	-
Total	<u>\$ 406,313</u>	<u>\$ 7,120</u>

\$204,993 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2023.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

9. URS PENSION (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:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	\$ 16,830
2025	23,893
2026	40,932
2027	13,347
2028	18,049
Thereafter	81,147

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

For the year ended June 30, 2024, the City recognized pension expense of \$203,070.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 85,110	\$ 10,865
Changes in assumptions	115,966	3,266
Net difference between projected and actual earnings on pension plan investments	16,655	-
Changes in proportion and differences between contributions and proportionate share of contributions	13,125	3,792
Contributions subsequent to the measurement date	252,876	-
Total	<u>\$ 483,732</u>	<u>\$ 17,923</u>

\$252,875 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2023.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

9. URS PENSION (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:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	\$ 15,209
2025	19,469
2026	31,402
2027	10,217
2028	14,910
Thereafter	121,727

Actuarial Assumptions

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

Inflation	2.50 percent
Salary 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 and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table on the next page.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

9. URS PENSION (CONTINUED)

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	35.00%	6.87%	2.40%
Debt securities	20.00%	1.54%	0.31%
Real assets	18.00%	5.43%	0.98%
Private equity	12.00%	9.80%	1.18%
Absolute return	15.00%	3.86%	0.58%
Cash and cash equivalents	0.00%	0.24%	0.00%
Totals	100.00%		5.45%
	Inflation		2.50%
	Expected arithmetic nominal return		7.95%

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

Discount Rate

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

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

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

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 4,117,588	\$ 793,378	\$ (1,990,423)
Public Safety System	3,113,620	992,317	(736,413)
Tier 2 Public Employees System	609,328	177,344	(157,660)
Tier 2 Public Safety and Firefighter	512,824	159,161	(123,774)
Total	\$ 8,353,360	\$ 2,122,200	\$ (3,008,270)

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

9. URS PENSION (CONTINUED)

Defined Contribution Savings Plans

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

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

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

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

	2024	2023	2022
401(k) Plan			
Employer Contributions	\$ 247,069	\$ 195,985	\$ 169,624
Employee Contributions	270,561	214,550	138,693
457 Plan			
Employer Contributions	-	-	-
Employee Contributions	9,209	7,151	6,963
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	50,408	47,968	32,648
Traditional IRA			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	1,050	150	-

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

10. COMMITMENTS AND CONTINGENCIES

Litigation

From time to time, the City is a defendant in certain legal actions and pending actions, or in process for miscellaneous claims. City management is of the opinion that the City's stop-loss insurance coverage is adequate for any possible loss contingency for claims currently known.

Compliance with Grant Agreements

The City receives assistance from federal and state agencies in the form of grants. The use of these funds generally requires compliance with conditions specified in the grant agreements. Any disallowed claims resulting from subsequent audits could become a liability of the general fund. The City administration believes such disallowance, if any, would not be significant.

Utah Infrastructure Agency (UIA)

The City entered into a Fiber Communication Service and Acquisition Contract with the Utah Infrastructure Agency (UIA) to provide broadband connection services in the City. The City has pledged franchise tax revenue to guarantee that UIA fulfills its revenue requirement from bonds issued by UIA in August 2020 (\$12,645,000 Telecommunications and Franchise Tax Revenue Bonds (Clearfield City Project), Series 2020). UIA is required by the Series 2020 bond covenants to have sufficient revenue to pay annual debt service on the bonds. In the event there is a shortfall, the City has agreed to lend franchise tax revenues, limited to a yearly maximum of \$737,200. This pledge is in place until the bonds mature in October of 2047. The total amount of the City's pledge through maturity is \$19,822,920. Fiscal year 2024 revenues from franchise tax were \$3,443,185. If the City is called upon to make a pledge payment, the payment amount would require 20% of pledged revenues. UIA has sufficient revenue to service the debt, and it is unlikely the City's pledge will be required.

11. TAX ABATEMENTS

As of June 30, 2024, neither the City nor the CRDA has any tax abatement agreements outstanding, which would reduce its legal claim on the associated tax revenue.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2024

12. CONDUIT DEBT ISSUANCE

The City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of residential low-income housing and the purchase of manufacturing equipment. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issue. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2024, the following bonds were outstanding:

<u>Company</u>	<u>Issuance</u>	<u>Original Issuance</u>
Oakstone, L.C.	series 2008	\$12,100,000 and \$3,090,000
Utah Stamping Company	2005	\$3,000,000

13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 20, 2024, the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CLEARFIELD CITY, UTAH
Schedule of the Proportionate Share of the Net Pension Liability
Utah Retirement Systems
Last 10 Fiscal Years*

	Noncontributory Retirement System	Public Safety System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighters Retirement
2023				
Proportion of the net pension liability (asset)	0.3420373%	0.6938486%	0.0911146%	0.4225244%
Proportionate share of the net pension liability (asset)	\$ 793,378	\$ 992,317	\$ 177,344	\$ 159,162
Covered payroll	\$ 2,922,406	\$ 714,462	\$ 2,355,623	\$ 1,600,963
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	27.15%	138.89%	7.53%	9.94%
Plan fiduciary net position as a percentage of its covered payroll	96.90%	93.44%	89.58%	89.10%
2022				
Proportion of the net pension liability (asset)	0.3619035%	0.7362625%	0.1075229%	0.4426446%
Proportionate share of the net pension liability (asset)	\$ 619,850	\$ 952,042	\$ 117,081	\$ 36,927
Covered payroll	\$ 2,920,266	\$ 916,261	\$ 2,343,004	\$ 1,361,923
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	21.23%	103.91%	5.00%	2.71%
Plan fiduciary net position as a percentage of its covered payroll	97.50%	93.60%	92.30%	96.40%
2021				
Proportion of the net pension liability (asset)	0.3294451%	0.6908472%	0.0916719%	0.3578908%
Proportionate share of the net pension liability (asset)	\$ (1,886,767)	\$ (561,066)	\$ (38,799)	\$ (18,089)
Covered payroll	\$ 2,589,422	\$ 914,923	\$ 1,700,636	\$ 855,854
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-72.86%	-61.32%	-2.28%	-2.11%
Plan fiduciary net position as a percentage of its covered payroll	108.70%	104.20%	103.80%	102.80%
2020				
Proportion of the net pension liability (asset)	0.3233147%	0.7299981%	0.0908389%	0.3529126%
Proportionate share of the net pension liability (asset)	\$ 165,842	\$ 606,075	\$ 13,065	\$ 31,654
Covered payroll	\$ 2,538,509	\$ 1,023,536	\$ 1,452,122	\$ 696,061
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	6.53%	59.21%	0.90%	4.55%
Plan fiduciary net position as a percentage of its covered payroll	99.20%	95.50%	98.30%	93.10%
2019				
Proportion of the net pension liability (asset)	0.3166729%	0.7743415%	0.1007580%	0.3425610%
Proportionate share of the net pension liability (asset)	\$ 1,193,499	\$ 1,243,296	\$ 22,661	\$ 32,223
Covered payroll	\$ 2,469,995	\$ 1,109,015	\$ 1,400,392	\$ 564,605
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	48.32%	112.11%	1.62%	5.71%
Plan fiduciary net position as a percentage of its covered payroll	93.70%	90.90%	96.50%	89.60%
2018				
Proportion of the net pension liability (asset)	0.3221902%	0.7568791%	0.1045139%	0.3643941%
Proportionate share of the net pension liability (asset)	\$ 2,372,520	\$ 1,947,136	\$ 44,761	\$ 9,130
Covered payroll	\$ 2,498,683	\$ 1,200,364	\$ 1,221,321	\$ 488,198
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	94.95%	162.21%	3.66%	1.87%
Plan fiduciary net position as a percentage of its covered payroll	87.00%	87.70%	90.80%	95.60%
2017				
Proportion of the net pension liability (asset)	0.3162596%	0.7634211%	0.1174857%	0.4071432%
Proportionate share of the net pension liability (asset)	\$ 1,385,628	\$ 1,197,547	\$ 10,358	\$ (4,711)
Covered payroll	\$ 2,433,567	\$ 1,229,818	\$ 1,149,764	\$ 429,777
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	56.94%	97.38%	0.90%	-1.10%
Plan fiduciary net position as a percentage of its covered payroll	91.90%	90.20%	97.40%	103.00%
2016				
Proportion of the net pension liability (asset)	0.3037055%	0.7546618%	0.0993670%	0.3082666%
Proportionate share of the net pension liability (asset)	\$ 1,950,161	\$ 1,531,417	\$ 11,081	\$ (2,676)
Covered payroll	\$ 2,420,787	\$ 1,245,031	\$ 814,640	\$ 254,696
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	80.56%	123.00%	1.36%	-1.05%
Plan fiduciary net position as a percentage of its covered payroll	87.30%	86.50%	95.10%	103.60%
2015				
Proportion of the net pension liability (asset)	0.3092115%	0.7831462%	0.9484830%	0.3868592%
Proportionate share of the net pension liability (asset)	\$ 1,749,669	\$ 1,402,812	\$ (207)	\$ (5,652)
Covered payroll	\$ 2,481,043	\$ 1,208,489	\$ 612,830	\$ 230,174
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	70.52%	116.08%	-0.03%	-2.46%
Plan fiduciary net position as a percentage of its covered payroll	87.80%	87.10%	100.20%	110.70%

Note:

*In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of net pension liability (asset) in their RSI. This schedule will be built prospectively.

CLEARFIELD CITY, UTAH

Schedule of Pension Contributions

Utah Retirement Systems

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 payroll	Contributions as a percentage of covered payroll
Noncontributory System	2015	522,143	522,143	-	2,605,217	20.04%
	2016	447,180	447,180	-	2,428,434	18.41%
	2017	443,611	443,611	-	2,409,929	18.41%
	2018	452,921	452,921	-	2,470,542	18.33%
	2019	460,766	460,766	-	2,503,511	18.40%
	2020	453,736	453,736	-	2,465,549	18.40%
	2021	477,801	477,801	-	2,595,783	18.41%
	2022	500,965	500,965	-	2,721,529	18.41%
	2023	506,165	506,165	-	2,856,534	17.72%
	2024	544,697	544,697	-	3,066,484	17.76%
Public Safety System	2015	406,337	406,337	-	1,203,354	33.77%
	2016	359,842	359,842	-	1,239,005	29.04%
	2017	362,743	362,743	-	1,271,099	28.54%
	2018	331,827	331,827	-	1,185,967	27.98%
	2019	343,429	343,429	-	1,176,905	29.18%
	2020	325,980	325,980	-	1,067,840	30.53%
	2021	297,704	297,704	-	988,018	30.13%
	2022	251,811	251,811	-	871,740	28.89%
	2023	254,962	254,962	-	822,228	31.01%
	2024	242,429	242,429	-	712,578	34.02%
Tier 2 Public Employees System*	2015	40,559	40,559	-	486,900	8.33%
	2016	104,114	104,114	-	698,283	14.91%
	2017	148,755	148,755	-	997,681	14.91%
	2018	183,915	183,915	-	1,217,170	15.11%
	2019	201,456	201,456	-	1,296,373	15.54%
	2020	222,210	222,210	-	1,418,969	15.66%
	2021	242,427	242,427	-	1,534,350	15.80%
	2022	317,977	317,977	-	1,979,456	16.06%
	2023	385,544	385,544	-	2,428,525	15.88%
	2024	384,085	384,085	-	3,404,001	11.28%
Tier 2 Public Safety and Firefighter System*	2015	18,669	18,669	-	172,859	10.80%
	2016	52,823	52,823	-	234,767	22.50%
	2017	76,906	76,906	-	341,806	22.50%
	2018	106,211	106,211	-	470,585	22.57%
	2019	117,034	117,034	-	506,859	23.09%
	2020	141,211	141,211	-	610,509	23.13%
	2021	205,666	205,666	-	796,229	25.83%
	2022	277,313	277,313	-	1,073,108	25.84%
	2023	364,209	364,209	-	1,415,155	25.74%
	2024	471,660	471,660	-	1,827,417	25.81%
Tier 2 Public Employees DC Only System*	2015	8,062	8,062	-	119,973	6.72%
	2016	14,564	14,564	-	217,700	6.69%
	2017	21,780	21,780	-	325,565	6.69%
	2018	19,711	19,711	-	294,630	6.69%
	2019	24,975	24,975	-	373,313	6.69%
	2020	26,194	26,194	-	391,535	6.69%
	2021	32,583	32,583	-	487,041	6.69%
	2022	32,273	32,273	-	482,402	6.69%
	2023	35,222	35,222	-	574,123	6.13%
	2024	47,958	47,958	-	765,974	6.26%
Tier 2 Public Safety and Firefighter DC Only System*	2015	5,603	5,603	-	47,360	11.83%
	2016	10,249	10,249	-	86,639	11.83%
	2017	6,753	6,753	-	57,085	11.83%
	2018	9,968	9,968	-	84,259	11.83%
	2019	15,292	15,292	-	129,261	11.83%
	2020	19,336	19,336	-	163,450	11.83%
	2021	20,181	20,181	-	170,595	11.83%
	2022	24,369	24,369	-	205,996	11.83%
	2023	28,846	28,846	-	245,799	11.74%
	2024	35,273	35,273	-	296,119	11.91%

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

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

CLEARFIELD CITY, UTAH
Notes to the Required Supplementary Information
June 30, 2024

1. ACTUARIALLY DETERMINED PENSION CONTRIBUTIONS

Changes in Assumptions

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

SUPPLEMENTARY INFORMATION

CLEARFIELD CITY, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment earnings	15,000	15,000	445,866	430,866
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>554,354</u>	<u>539,354</u>
EXPENDITURES				
Current:				
Streets and public improvements	-	308,853	685,429	(376,576)
Capital outlay:				
Streets and public improvements	<u>26,966,548</u>	<u>27,197,695</u>	<u>12,148,134</u>	<u>15,049,561</u>
Total expenditures	<u>26,966,548</u>	<u>27,506,548</u>	<u>12,833,563</u>	<u>14,672,985</u>
Excess (deficiency) of revenues over expenditures	<u>(26,951,548)</u>	<u>(27,491,548)</u>	<u>(12,279,209)</u>	<u>15,212,339</u>
OTHER FINANCING SOURCES				
Transfers in	<u>4,744,408</u>	<u>9,266,253</u>	<u>5,061,843</u>	<u>(4,204,410)</u>
Total other financing sources	<u>4,744,408</u>	<u>9,266,253</u>	<u>5,061,843</u>	<u>(4,204,410)</u>
Net change in fund balance	<u>\$ (22,207,140)</u>	<u>\$ (18,225,295)</u>	<u>(7,217,366)</u>	<u>\$ 11,007,929</u>
Fund balance, beginning of year			<u>15,863,217</u>	
Fund balance, end of year			<u>\$ 8,645,851</u>	

CLEARFIELD CITY, UTAH
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2024

	<u>Capital Projects</u>	<u>Permanent Fund Cemetery Perpetual Care</u>	<u>Total Nonmajor Funds</u>
	<u>Parks</u>		
ASSETS			
Cash and cash equivalents	\$ -	\$ 62,855	\$ 62,855
Restricted cash and cash equivalents	3,140,401	277,477	3,417,878
Total assets	<u>3,140,401</u>	<u>340,332</u>	<u>3,480,733</u>
LIABILITIES			
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted:			
Impact fees - parks and recreation	3,140,401	-	3,140,401
Cemetery care	-	340,332	340,332
Total fund balances	<u>3,140,401</u>	<u>340,332</u>	<u>3,480,733</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,140,401</u>	<u>\$ 340,332</u>	<u>\$ 3,480,733</u>

CLEARFIELD CITY, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	<u>Capital Projects</u>	<u>Permanent Fund</u>	
	<u>Parks</u>	<u>Cemetery Perpetual Care</u>	<u>Total Nonmajor Funds</u>
REVENUES			
Charges for services	\$ -	\$ 13,300	\$ 13,300
Investments earnings	152,124	15,416	167,540
Special assessments - impact fees	267,524	-	267,524
Total revenues	<u>419,648</u>	<u>28,716</u>	<u>448,364</u>
Excess of revenues over expenditures	<u>419,648</u>	<u>28,716</u>	<u>448,364</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	186,408	-	186,408
Total other financing sources (uses)	<u>186,408</u>	<u>-</u>	<u>186,408</u>
Net change in fund balances	606,056	28,716	634,772
Fund balances, beginning of year	<u>2,534,345</u>	<u>311,616</u>	<u>2,845,961</u>
Fund balances, end of year	<u><u>\$ 3,140,401</u></u>	<u><u>\$ 340,332</u></u>	<u><u>\$ 3,480,733</u></u>

CLEARFIELD CITY, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Parks Fund (Capital Projects)
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investments earnings	\$ 3,000	\$ 3,000	\$ 152,124	\$ 149,124
Special assessments - impact fees	80,000	80,000	267,524	187,524
Total revenues	<u>83,000</u>	<u>83,000</u>	<u>419,648</u>	<u>336,648</u>
EXPENDITURES				
Capital expenditures:				
Highways and public improvements	622,000	622,000	-	622,000
Total expenditures	<u>622,000</u>	<u>622,000</u>	<u>-</u>	<u>622,000</u>
Excess (deficiency) of revenues over expenditures	<u>(539,000)</u>	<u>(539,000)</u>	<u>419,648</u>	<u>958,648</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	186,408	186,408
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>186,408</u>	<u>186,408</u>
Net change in fund balance	<u>\$ (539,000)</u>	<u>\$ (539,000)</u>	606,056	<u>\$ 1,145,056</u>
Fund balance, beginning of year			<u>2,534,345</u>	
Fund balance, end of year			<u>\$ 3,140,401</u>	

CLEARFIELD CITY, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Cemetery Perpetual Care Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 9,000	\$ 9,000	\$ 13,300	\$ 4,300
Investments earnings	1,200	1,200	15,416	14,216
Total revenues	<u>10,200</u>	<u>10,200</u>	<u>28,716</u>	<u>18,516</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 10,200</u>	<u>\$ 10,200</u>	28,716	<u>\$ 18,516</u>
Fund balance, beginning of year			<u>311,616</u>	
Fund balance, end of year			<u>\$ 340,332</u>	

CLEARFIELD CITY, UTAH
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Internal Service Funds		
	Fleet	Risk	
	Management	Management	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 285,413	\$ 83,352	\$ 368,765
Noncurrent assets:			
Machinery, equipment, and vehicles	7,137,449	-	7,137,449
Less accumulated depreciation	(3,893,471)	-	(3,893,471)
Net capital assets	3,243,978	-	3,243,978
Total assets	3,529,391	83,352	3,612,743
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	24,982	-	24,982
LIABILITIES			
Current liabilities:			
Accounts payable	246,377	2,114	248,491
Accrued liabilities	7,464	-	7,464
Total current liabilities	253,841	2,114	255,955
Noncurrent liabilities:			
Net pension liability	14,034	-	14,034
Total liabilities	267,875	2,114	269,989
DEFERRED INFLOWS OF RESOURCES			
Pension related	103	-	103
NET POSITION			
Net investment in capital assets	3,243,978	-	3,243,978
Unrestricted (deficit)	42,417	81,238	123,655
Total net position	\$ 3,286,395	\$ 81,238	\$ 3,367,633

CLEARFIELD CITY, UTAH
Combining Statement of Revenues, Expenses, and Changes in
Net Position – Internal Service Funds
For the Year Ended June 30, 2024

	Internal Service Funds		
	Fleet	Risk	
	Management	Management	Total
OPERATING REVENUES			
Charges for services:			
Fleet management	\$ 2,205,516	\$ -	\$ 2,205,516
Risk management	-	436,585	436,585
Miscellaneous	-	58,897	58,897
Total operating revenues	<u>2,205,516</u>	<u>495,482</u>	<u>2,700,998</u>
OPERATING EXPENSES			
Personnel services	175,040	-	175,040
Materials and supplies	652,418	57,906	710,324
Contractual services	113,138	381,465	494,603
Depreciation	679,652	-	679,652
Total operating expenses	<u>1,620,248</u>	<u>439,371</u>	<u>2,059,619</u>
Operating income (loss)	<u>585,268</u>	<u>56,111</u>	<u>641,379</u>
NONOPERATING REVENUES (EXPENSES)			
Gain on disposal of capital assets	<u>137,348</u>	<u>-</u>	<u>137,348</u>
Change in net position	722,616	56,111	778,727
Net position, beginning of year	<u>2,563,779</u>	<u>25,127</u>	<u>2,588,906</u>
Net position, ending of year	<u>\$ 3,286,395</u>	<u>\$ 81,238</u>	<u>\$ 3,367,633</u>

CLEARFIELD CITY, UTAH
Combining Statement of Cash Flows –
Internal Service Funds
For the Year Ended June 30, 2024

	Internal Service Funds		
	Fleet Management	Risk Management	Total
Cash flows from operating activities			
Receipts from customers and users	\$ 2,205,516	\$ 495,482	\$ 2,700,998
Payments to suppliers	(539,663)	(437,658)	(977,321)
Payments to employees	(176,131)	-	(176,131)
Net cash provided (used) by operating activities	1,489,722	57,824	1,547,546
Net cash from noncapital financing activities	-	-	-
Cash flows from capital and related financing activities			
Acquisition of capital assets	(1,420,733)	-	(1,420,733)
Proceeds from sale of assets	204,276	-	204,276
Net cash used by capital and related financing activities	(1,216,457)	-	(1,216,457)
Net cash from investing activities	-	-	-
Net change in cash and cash equivalents	273,265	57,824	331,089
Cash and cash equivalents, beginning of year	12,148	25,528	37,676
Cash and cash equivalents, end of year	<u>\$ 285,413</u>	<u>\$ 83,352</u>	<u>\$ 368,765</u>
Reconciliation of operating loss to net cash provided (used) by operating activities			
Operating income	\$ 585,268	\$ 56,111	\$ 641,379
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	679,652	-	679,652
Net pension adjustment	(2,082)	-	(2,082)
Changes in assets and liabilities:			
Accounts payable	225,893	1,713	227,606
Accrued liabilities	991	-	991
Net cash provided by operating activities	<u>\$ 1,489,722</u>	<u>\$ 57,824</u>	<u>\$ 1,547,546</u>

STATISTICAL SECTION

This part of Clearfield City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

Table 1-4

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

Table 5-8

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

Table 9-13

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

Table 14-15

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

Table 16-18

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Clearfield City Corporation
Table 1 - Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 13,842,330	\$ 17,188,047	\$ 17,460,343	\$ 19,596,728	\$ 21,939,095	\$ 24,942,878	\$ 23,552,524	\$ 37,130,839	\$ 35,545,014	\$ 42,368,192
Restricted	6,198,871	11,970,081	3,264,609	5,662,767	5,392,939	4,110,132	5,296,149	36,236,660	29,224,237	24,752,190
Unrestricted	9,622,198	1,171,194	11,871,363	10,347,764	12,070,960	14,515,857	20,874,397	(9,364,438)	5,835,270	9,460,848
Total governmental activities net position	29,663,399	30,329,322	32,596,315	35,607,259	39,402,994	43,568,867	49,723,070	64,003,061	70,604,521	76,581,230
Business-type activities										
Net investment in capital assets	42,710,692	42,989,995	42,474,017	44,988,425	44,343,070	43,718,806	43,631,564	42,718,063	40,819,975	39,222,339
Restricted	2,166,247	595,525	884,189	727,144	834,031	834,081	485,908	-	-	-
Unrestricted	11,960,596	12,857,867	12,775,204	10,361,768	9,628,674	9,602,673	10,237,687	10,558,271	16,424,485	18,848,252
Total business-type activities net position	56,837,535	56,443,387	56,133,410	56,077,337	54,805,775	54,155,560	54,355,159	53,276,334	57,244,460	58,070,591
Primary government										
Net investment in capital assets	56,553,022	60,178,042	59,934,360	64,585,153	66,282,165	68,661,684	67,184,088	79,848,902	76,364,989	81,590,531
Restricted	8,365,118	12,565,606	4,148,798	6,389,911	6,226,970	4,944,213	5,782,057	36,236,660	29,224,237	24,752,190
Unrestricted	21,582,794	14,029,061	24,646,567	20,709,532	21,699,634	24,118,530	31,112,084	1,193,833	22,259,755	28,309,100
Total primary government net position	\$ 86,500,934	\$ 86,772,709	\$ 88,729,725	\$ 91,684,596	\$ 94,208,769	\$ 97,724,427	\$ 104,078,229	\$ 117,279,395	\$ 127,848,981	\$ 134,651,821

Clearfield City Corporation
Table 2 - Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 4,329,895	\$ 4,813,376	\$ 7,738,481	\$ 5,378,484	\$ 5,416,073	\$ 4,743,228	\$ 7,408,996	\$ 5,337,268	\$ 6,122,620	\$ 7,108,941
Public safety	3,957,058	4,173,640	4,442,821	4,325,896	4,626,574	4,872,126	5,002,043	6,082,214	7,033,606	8,393,085
Streets and public improvements	558,575	385,530	443,261	669,861	191,245	441,358	717,112	1,140,504	1,596,350	2,405,793
Culture and recreation	3,872,112	4,176,153	3,075,324	4,985,491	5,067,242	5,424,658	4,792,215	5,079,099	6,634,981	6,571,899
Community development	732,537	4,255,926	737,824	880,389	2,646,393	2,397,943	2,214,917	1,412,954	2,677,293	1,392,538
Interest	720,704	474,319	412,616	397,612	575,311	559,443	491,372	837,788	930,271	265,321
Total governmental activities	14,170,881	18,278,944	16,850,327	16,637,733	18,522,838	18,438,756	20,626,655	19,889,827	24,995,121	26,137,577
Business-type activities:										
Public utility administration	200,901	340,698	337,737	341,628	368,975	409,789	474,338	391,151	413,567	439,112
Water utility	3,287,895	3,526,735	3,316,149	3,182,598	3,624,037	3,851,855	3,777,628	3,756,946	4,760,158	4,558,942
Sewer utility	3,138,422	3,651,194	4,213,793	4,532,916	4,745,493	4,560,511	4,597,047	4,727,977	4,898,581	5,289,433
Solid waste utility	1,123,454	1,086,447	1,069,575	1,172,750	1,190,105	1,391,443	1,482,228	1,505,286	1,637,900	1,718,725
Storm drain utility	1,036,699	1,108,333	1,259,851	1,224,999	1,565,268	1,461,728	1,255,885	1,553,671	1,463,684	1,631,670
Total business-type activities	8,787,371	9,713,407	10,197,105	10,454,891	11,493,878	11,675,326	11,587,126	11,935,031	13,173,890	13,637,882
Total primary government	22,958,252	27,992,351	27,047,432	27,092,624	30,016,716	30,114,082	32,213,781	31,824,858	38,169,011	39,775,459

Clearfield City Corporation
Table 2 - Changes in Net Position - continued
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues										
<i>Governmental activities</i>										
Charges for services:										
General government	848,079	1,182,894	1,158,318	1,106,325	1,129,331	1,309,694	1,203,166	1,520,376	2,054,911	2,200,864
Public safety	1,152,194	1,183,288	1,168,875	1,419,129	1,400,908	1,302,159	1,190,952	1,332,084	1,364,693	1,382,686
Streets and public improvements	129,397	145,018	437,006	53,484	324,225	216,880	1,466,331	407,289	313,715	549,389
Culture and recreation	1,988,549	1,964,858	1,842,692	1,825,028	1,718,949	1,194,438	1,582,873	2,375,804	2,419,249	2,835,100
Community development	452,456	412,356	674,382	380,508	613,164	777,287	1,587,511	1,405,362	1,137,323	1,614,449
Operating grants and contributions	962,484	1,070,777	1,553,353	1,491,952	1,678,557	2,285,231	4,404,935	2,902,575	2,284,442	2,400,844
Capital grants and contributions	167,832	182,451	48,727	-	272,266	61,705	-	8,342,816	7,842,366	3,783,144
Total governmental activities	5,700,991	6,141,642	6,883,353	6,276,426	7,137,400	7,147,394	11,435,768	18,286,306	17,416,699	14,766,476
<i>Business-type activities</i>										
Charges for services:										
Public utility administration	154,218	154,715	154,377	171,317	170,236	139,204	152,621	165,519	188,913	179,896
Water utility	3,388,274	3,428,137	3,498,768	3,642,991	3,549,052	3,724,705	3,821,626	3,832,700	4,281,181	5,145,384
Sewer utility	3,243,892	3,619,940	3,999,611	4,471,947	4,497,006	4,538,774	4,472,289	4,730,947	4,898,796	5,233,926
Solid waste utility	1,257,671	1,365,841	1,408,998	1,413,770	1,416,655	1,637,773	1,676,148	1,696,698	1,745,213	1,775,214
Storm drain utility	934,516	947,179	978,778	1,021,895	1,058,473	1,108,580	1,184,357	1,330,796	1,539,144	1,718,667
Impact fees	563,245	469,699	291,939	50,124	93,985	98,609	317,694	404,783	64,940	306,839
Capital grants and contributions	-	-	-	-	-	-	-	-	819,764	-
Total business-type activities	9,541,816	9,985,511	10,332,471	10,772,044	10,785,407	11,247,645	11,624,735	12,161,443	13,537,951	14,359,926
Total primary government	15,242,807	16,127,153	17,215,824	17,048,470	17,922,807	18,395,039	23,060,503	30,447,749	30,954,650	29,126,402
Net (expense)/revenue:										
Governmental activities	(8,469,890)	(12,137,302)	(9,966,974)	(10,361,307)	(11,385,438)	(11,291,362)	(9,190,887)	(1,603,521)	(7,578,422)	(11,371,101)
Business-type activities	754,445	272,104	135,366	317,153	(708,471)	(427,681)	37,609	226,412	364,061	722,044
Total net (expense)/revenue	(7,715,445)	(11,865,198)	(9,831,608)	(10,044,154)	(12,093,909)	(11,719,043)	(9,153,278)	(1,377,109)	(7,214,361)	(10,649,057)

Clearfield City Corporation
Table 2 - Changes in Net Position - continued
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<i>Governmental activities</i>										
Taxes:										
Property	5,543,631	4,738,368	4,083,583	4,327,255	5,237,352	5,528,569	5,229,043	3,166,275	3,569,853	3,073,059
Sales	6,207,352	6,357,804	6,538,020	7,034,374	7,486,080	7,761,852	8,420,461	9,337,194	6,833,915	7,263,282
Energy use and Franchise	812,423	868,717	879,629	889,489	843,672	832,641	811,563	780,468	3,655,535	3,443,185
Other	59,007	218,841	230,445	260,690	268,430	309,265	364,745	380,110	399,831	438,690
Investment earnings	116,633	200,323	125,449	122,044	601,171	382,549	167,037	(90,380)	1,666,726	2,190,228
Gain on sale of capital assets	-	-	-	-	-	-	-	156,242	1,129,643	346,077
Miscellaneous	176,888	9,400	11,750	134,503	80,758	38,331	106,096	765,515	192,238	292,162
Transfers - net	256,838	754,433	594,644	603,896	609,555	604,031	246,145	1,388,089	(3,267,859)	301,127
Loss on sale of land held for sale	-	(414,549)	-	-	54,152	-	-	-	-	-
Contribution of capital asset	109,049	69,888	-	-	-	-	-	-	-	-
Total governmental activities	13,281,821	12,803,225	12,463,520	13,372,251	15,181,170	15,457,238	15,345,090	15,883,513	14,179,882	17,347,810
<i>Business-type activities</i>										
Investment earnings	61,709	151,438	142,763	226,833	276,897	249,391	67,088	63,793	321,831	867,643
Miscellaneous	3,394	6,631	6,537	3,836	151,865	132,103	341,045	19,059	14,375	46,589
Transfers	(256,838)	(754,433)	(594,644)	(603,896)	(609,555)	(604,031)	(246,145)	(1,388,089)	3,267,859	(408,674)
Contribution of capital asset	(109,049)	(69,888)	-	-	(382,294)	-	-	-	-	-
Total business-type activities	(300,784)	(666,252)	(445,344)	(373,227)	(563,087)	(222,537)	161,988	(1,305,237)	3,604,065	505,558
Total primary government	12,981,037	12,136,973	12,018,176	12,999,024	14,618,083	15,234,701	15,507,078	14,578,276	17,783,947	17,853,368
 Change in Net Position:										
Governmental activities	4,811,931	665,923	2,496,546	3,010,944	3,795,732	4,165,876	6,154,203	14,279,992	6,601,460	5,976,709
Business-type activities	453,661	(394,148)	(309,978)	(56,074)	(1,271,558)	(650,218)	199,597	(1,078,825)	3,968,126	1,227,602
Total primary government	\$ 5,265,592	\$ 271,775	\$ 2,186,568	\$ 2,954,870	\$ 2,524,174	\$ 3,515,658	\$ 6,353,800	\$ 13,201,167	\$ 10,569,586	\$ 7,204,311

Clearfield City Corporation
Table 3 - Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund:										
Nonspendable	\$ 157,836	\$ 104,949	\$ 230,532	\$ 167,162	\$ 199,963	\$ 179,168	\$ 227,844	\$ 50,438	\$ 101,943	\$ 92,676
Restricted	1,612,349	11,059,160	1,900,229	4,142,696	3,933,168	2,502,692	2,414,413	23,034,684	1,165,875	1,383,707
Committed	1,476,747	184,731	585,125	161,807	114,625	91,394	-	3,533,456	-	-
Assigned	-	-	33,351	28,024	41,206	71,476	-	155,966	183,703	200,568
Unassigned	3,461,664	5,908,388	5,470,360	6,626,368	7,017,086	7,969,239	12,944,079	10,936,996	9,907,633	6,863,001
Total general fund	<u>\$ 6,708,596</u>	<u>\$ 17,257,228</u>	<u>\$ 8,219,597</u>	<u>\$ 11,126,057</u>	<u>\$ 11,306,048</u>	<u>\$ 10,813,969</u>	<u>\$ 15,586,336</u>	<u>\$ 37,711,540</u>	<u>\$ 11,359,154</u>	<u>\$ 8,539,952</u>
All other governmental funds:										
Nonspendable	-	-	-	-	-	-	-	69,685	709,505	709,505
Restricted for:										
Debt service funds	95,341	30,528	83,843	187,864	237,480	237,490	67,274	-	-	-
Capital projects funds	212,504	415,496	829,386	863,193	912,786	1,066,562	2,491,253	12,913,485	27,746,746	23,028,151
Special revenue funds	3,914,777	246,473	246,473	246,473	69,685	69,685	69,685	-	-	-
Cemetery perpetual care	206,064	218,424	204,678	222,541	239,820	233,703	253,524	288,491	311,616	340,332
Public safety	-	-	-	-	-	-	-	-	-	-
Committed	183,733	1,081,689	1,538,000	504,072	267,072	911,292	2,942,397	-	-	-
Assigned to:										
Capital projects funds	1,506,826	875,594	972,985	826,052	1,761,321	2,076,271	645,809	21,117	-	-
Special revenue funds	3,466,835	4,392,526	5,122,086	4,595,470	5,428,603	6,269,082	6,490,552	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 9,586,080</u>	<u>\$ 7,260,730</u>	<u>\$ 8,997,451</u>	<u>\$ 7,445,665</u>	<u>\$ 8,916,767</u>	<u>\$ 10,864,085</u>	<u>\$ 12,960,494</u>	<u>\$ 13,292,778</u>	<u>\$ 28,767,867</u>	<u>\$ 24,077,988</u>
General fund balance unrestricted										
% of total revenue for current year	35.58%	41.04%	38.06%	41.39%	40.42%	45.52%	52.15%	55.15%	38.75%	29.75%

Clearfield City Corporation
Table 4 - Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 12,622,413	\$ 12,183,730	\$ 11,731,677	\$ 12,511,808	\$ 13,835,534	\$ 14,432,327	\$ 14,825,812	\$ 13,664,047	\$ 14,459,134	\$ 14,218,216
Rents and other services	773,646	1,128,700	1,038,067	1,091,025	1,118,331	1,296,644	1,184,466	817,246	683,192	928,007
Intergovernmental	1,482,186	1,454,828	1,667,830	1,507,252	1,961,823	2,359,986	4,423,635	10,295,211	10,003,058	5,808,918
Charges for services	2,616,847	2,713,793	2,971,280	2,873,823	2,990,607	2,653,500	3,857,338	3,763,181	4,548,891	4,345,050
Impact fees	129,397	145,018	437,006	53,484	324,225	216,880	1,466,331	950,180	123,750	267,524
Fines and forfeitures	633,352	654,509	660,669	750,842	742,414	620,384	503,998	458,104	515,470	608,433
Investment earnings	98,338	133,989	148,683	145,263	629,891	411,269	210,340	(90,380)	1,666,726	2,190,228
Miscellaneous revenue	59,154	20,201	93,479	119,448	80,758	38,331	106,096	765,515	192,238	292,162
Total revenues	18,415,333	18,434,768	18,748,691	19,052,945	21,683,583	22,029,321	26,578,016	30,623,104	32,192,459	28,658,538
Expenditures										
Current:										
General government	3,745,404	4,105,100	6,522,367	4,686,401	4,631,411	4,573,574	6,251,832	5,235,907	5,625,250	6,666,289
Public safety	3,985,536	4,201,941	4,449,426	4,329,030	4,528,560	4,811,358	5,272,075	6,217,018	6,762,616	8,021,787
Streets and public improvements	400,535	322,279	483,448	435,129	524,274	414,811	491,885	565,339	968,451	1,646,069
Culture and recreation	3,510,477	3,839,258	4,270,133	4,499,369	4,658,571	5,030,424	4,613,761	4,205,905	5,410,050	5,043,433
Community development	568,389	4,258,803	738,918	5,660,679	2,642,308	2,375,886	2,231,119	1,139,669	858,787	1,042,411
Capital outlay	2,066,651	624,404	904,848	3,616,416	1,035,299	1,382,191	1,581,963	5,701,284	19,405,601	12,600,223
Debt service:										
Principal retirement	1,670,000	1,735,000	1,811,000	1,929,000	1,998,000	2,018,000	1,686,000	7,810,860	1,066,603	1,083,478
Interest and fiscal charges	700,789	633,120	555,269	377,716	600,881	584,767	507,972	497,965	597,180	573,785
Cost of issuance	87,985	116,206	-	45,500	-	-	-	100,000	-	-
Total expenditures	16,735,766	19,836,111	19,735,409	25,579,240	20,619,304	21,191,011	22,636,607	31,473,947	40,694,538	36,677,475
Excess (deficiency) revenues over expenditures	1,679,567	(1,401,343)	(986,718)	(6,526,295)	1,064,279	838,310	3,941,409	(850,843)	(8,502,079)	(8,018,937)

Clearfield City Corporation
Table 4 - Changes in Fund Balances of Governmental Funds - continued
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other Financing Sources (Uses)										
Issuance of bonds payable	-	-	-	7,277,076	-	-	-	21,764,000	-	-
Issuance of refunding bonds	5,465,000	9,592,000	-	-	-	-	-	-	-	-
Payment to refunding bonds escrows	(5,719,513)	-	(9,340,000)	-	-	-	-	-	-	-
Premium on bond issuance	342,498	-	-	-	-	-	-	-	-	-
Issuance of capital lease	-	-	2,423,270	-	-	-	-	-	-	-
Proceeds from sale of capital assets	174,878	13,623	7,894	-	54,893	12,900	2,681,223	156,242	892,641	208,729
Loss on sale of land held for sale	-	(414,549)	-	-	54,152	-	-	-	-	-
Land inventory contributed	-	-	-	-	(131,788)	-	-	-	-	-
Transfers in	3,429,716	2,534,462	3,116,618	2,924,767	3,253,804	3,882,313	3,274,233	6,345,559	29,083,248	6,518,805
Transfers (out)	(3,172,877)	(2,100,911)	(2,521,974)	(2,320,873)	(2,644,249)	(3,278,282)	(3,028,089)	(4,957,470)	(32,351,107)	(6,217,678)
Total other financing sources	519,702	9,624,625	(6,314,192)	7,880,970	586,812	616,931	2,927,367	23,308,331	(2,375,218)	509,856
Net change in fund balances	2,199,269	8,223,282	(7,300,910)	1,354,675	1,651,091	1,455,241	6,868,776	22,457,488	(10,877,297)	(7,509,081)
Fund balances - beginning of year	14,095,407	16,294,676	24,517,958	17,217,047	18,571,724	20,222,813	21,678,054	28,546,830	28,546,830	51,004,318
Fund balances - end of year	<u>\$ 16,294,676</u>	<u>\$ 24,517,958</u>	<u>\$ 17,217,048</u>	<u>\$ 18,571,722</u>	<u>\$ 20,222,815</u>	<u>\$ 21,678,054</u>	<u>\$ 28,546,830</u>	<u>\$ 51,004,318</u>	<u>\$ 17,669,533</u>	<u>\$ 43,495,237</u>
Debt service as a percentage of noncapital expenditures	16.05%	12.54%	13.54%	13.37%	14.16%	14.04%	10.59%	32.63%	7.82%	6.88%

Clearfield City Corporation
Table 5 - Assessed Value and Estimated
Actual Value of Taxable Property
Last Ten Fiscal Years

Last Ten Fiscal Years								
Fiscal Year	Real Property		Personal Property (in thousands)	Taxable Value (in thousands)	Total Direct Tax Rate	Estimated Actual Value (in thousands)	Ratio of Taxable to Estimated Actual Value	
	Residential Property (in thousands)	Commercial Property (in thousands)						
2014-15	\$ 597,272	\$ 525,565	\$ 318,908	\$ 1,441,745	0.18000%	\$ 1,925,723	74.87%	
2015-16	\$ 612,132	\$ 538,133	\$ 340,321	\$ 1,490,586	0.18000%	\$ 1,987,969	74.98%	
2016-17	\$ 667,772	\$ 553,341	\$ 344,355	\$ 1,565,468	0.17450%	\$ 1,761,803	88.86%	
2017-18	\$ 737,490	\$ 569,114	\$ 344,260	\$ 1,650,864	0.16070%	\$ 1,903,767	86.72%	
2018-19	\$ 838,706	\$ 643,615	\$ 356,595	\$ 1,838,916	0.14370%	\$ 2,163,570	84.99%	
2019-20	\$ 964,934	\$ 713,651	\$ 368,331	\$ 2,046,916	0.14370%	\$ 2,445,027	83.72%	
2020-21	\$ 947,603	\$ 712,982	\$ 364,380	\$ 2,024,965	0.14370%	\$ 2,567,377	78.87%	
2021-22	\$ 1,200,500	\$ 762,529	\$ 383,050	\$ 2,346,079	0.13070%	\$ 3,325,571	70.55%	
2022-23	\$ 1,660,407	\$ 891,988	\$ 376,207	\$ 2,799,143	0.12020%	\$ 3,942,052	71.01%	
2023-24	\$ 1,712,119	\$ 989,584	\$ 418,250	\$ 3,119,953	0.12090%	\$ 4,517,823	69.06%	

Sources: Davis County Auditor's Office / Utah State Tax Commission

Clearfield City Corporation
Table 6 - Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

Overlapping Rates											
Fiscal Year	Clearfield City			Davis County School			Davis County			Total Special Districts	Total Levy for Clearfield City
	Operating Rates	Debt Service Rates	Total City Rates	Operating Rates	Debt Service Rates	Total County School Rates	Operating Rates	Debt Service Rates	Total County Rates		
2015	0.1178%	0.0622%	0.1800%	0.5984%	0.2571%	0.8555%	0.1795%	0.0110%	0.1905%	0.3005%	1.5265%
2016	0.1235%	0.0565%	0.1800%	0.5554%	0.2571%	0.8125%	0.1703%	0.0076%	0.1779%	0.2852%	1.4556%
2017	0.1204%	0.0541%	0.1745%	0.5004%	0.2571%	0.7575%	0.1924%	0.0069%	0.1993%	0.2788%	1.4101%
2018	0.1112%	0.0495%	0.1607%	0.5132%	0.2569%	0.7701%	0.1782%	0.0062%	0.1844%	0.2706%	1.3858%
2019	0.1004%	0.0433%	0.1437%	0.5239%	0.2569%	0.7808%	0.1685%	0.0075%	0.1760%	0.2502%	1.3507%
2020	0.1234%	0.0203%	0.1437%	0.5101%	0.2569%	0.7670%	0.1636%	0.0071%	0.1707%	0.2427%	1.3241%
2021	0.1437%	0.0000%	0.1437%	0.5627%	0.2015%	0.7642%	0.1372%	0.0063%	0.1435%	0.2742%	1.3256%
2022	0.1307%	0.0000%	0.1307%	0.4795%	0.1629%	0.6424%	0.1089%	0.0000%	0.1089%	0.2195%	1.1015%
2023	0.1209%	0.0000%	0.1209%	0.4599%	0.1629%	0.6228%	0.1152%	0.0000%	0.1152%	0.2246%	1.0835%
2024	0.1202%	0.0000%	0.1202%	0.4470%	0.1629%	0.6099%	0.1034%	0.0000%	0.1034%	0.2524%	1.0859%

Source: Davis County Auditor's Office

Percentages are applied to the taxable value of property as stated.

Clearfield City Corporation
Table 7 - Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Taxable Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Value	Rank	Percentage of Total Taxable Assessed Value
Freeport Center Associates	\$ 295,190,806	1	9.2%	\$ 189,443,140	1	12.6%
Lifetime Products	152,147,223	2	4.7%	40,378,662	3	2.7%
Northrop Grumman (ATK in 2014)	133,202,117	3	4.1%	113,681,186	2	7.6%
K & M Two LLC	42,076,255	4	1.3%	16,649,474	9	1.1%
Union Pacific Railroad Co.	41,581,813	5	1.3%	22,035,931	6	1.5%
WCL Legend Hills	38,768,064	6	1.2%			
HRA Mountain View Owner LLC	36,953,952	7	1.2%			
Pacific Corp	35,237,375	8	1.1%	27,125,509	5	1.8%
Clearfield Station Apartments LLC	31,661,221	9	1.0%			
Westemaire Partners LLC	22,430,140	10	0.7%			
Utility Trailer Manufacturing Co				17,853,999	8	1.2%
Belleuu, Wayne				18,689,260	7	1.2%
Worthington Foods, Inc.				29,776,724	4	2.0%
Morkill Stonegate Mountain View				14,065,099	10	0.9%
	<u>\$ 829,248,966</u>			<u>\$ 475,633,885</u>		

Sources: Davis County Assessor's Office / Davis County Auditor's Office

Clearfield City Corporation
Table 8 - Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2015	\$ 2,711,862	\$ 2,542,141	93.74%	\$ 38,933	\$ 2,581,074	95.18%
2016	\$ 2,137,367	\$ 2,148,974	100.54%	\$ 51,748	\$ 2,200,722	102.96%
2017	\$ 2,335,250	\$ 2,488,076	106.54%	\$ 48,683	\$ 2,536,759	108.63%
2018	\$ 2,333,217	\$ 2,377,911	101.92%	\$ 104,809	\$ 2,482,720	106.41%
2019	\$ 2,361,008	\$ 2,360,647	99.98%	\$ 145,729	\$ 2,506,376	106.16%
2020	\$ 2,348,873	\$ 2,507,558	106.76%	\$ 49,680	\$ 2,557,238	108.87%
2021	\$ 2,441,837	\$ 2,186,676	89.55%	\$ 18,459	\$ 2,205,135	90.31%
2022	\$ 3,380,729	\$ 3,111,375	92.03%	\$ 58,632	\$ 3,170,006	93.77%
2023	\$ 3,755,144	\$ 3,590,715	95.62%	\$ 213,691	\$ 3,366,619	89.65%
2024	\$ 3,909,224	\$ 3,630,943	92.88%	\$ 11,348	\$ 3,073,059	78.61%

Source: Davis County Auditor's Office

Clearfield City Corporation
Table 9 - Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita	
	General Obligation Bonds	Revenue Bonds	Purchase Agreements	Revenue Bonds	Purchase Agreements					
2015	\$ 6,022,484	\$ 11,891,646	\$ -	\$ 1,486,063	\$ -	\$ 19,400,193	0.16%	636.41		
2016	\$ 4,683,332	\$ 20,664,861	\$ -	\$ 1,211,063	\$ -	\$ 26,559,256	0.21%	866.45		
2017	\$ 3,666,249	\$ 10,469,468	\$ 2,350,625	\$ 926,063	\$ -	\$ 17,412,405	0.12%	564.33		
2018	\$ 2,634,166	\$ 16,788,136	\$ 2,201,012	\$ 629,040	\$ -	\$ 22,252,354	0.16%	709.51		
2019	\$ 1,567,083	\$ 15,801,229	\$ 2,038,186	\$ 322,017	\$ -	\$ 19,728,515	0.13%	617.15		
2020	\$ 500,000	\$ 14,794,322	\$ 1,864,425	\$ -	\$ -	\$ 17,158,747	0.11%	525.66		
2021	\$ -	\$ 13,609,339	\$ 1,684,473	\$ -	\$ -	\$ 15,293,812	0.09%	468.53		
2022	\$ -	\$ 27,755,000	\$ 1,499,613	\$ -	\$ -	\$ 29,254,613	0.15%	896.23		
2023	\$ -	\$ 26,879,000	\$ 1,309,010	\$ -	\$ -	\$ 28,188,010	0.13%	817.75		
2024	\$ -	\$ 25,992,000	\$ 1,112,532	\$ -	\$ -	\$ 27,104,532	0.13%	786.32		

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. See table 15 for personal income and population data.

Clearfield City Corporation
Table 10 - Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Estimated Population	Actual Taxable Value of Property (in thousands)	Gross Obligation Bonds	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2015	30,484	\$ 1,441,745	\$ 5,754,983	\$ 1,141,957	\$ 4,613,026	0.32%	151.33
2016	30,653	\$ 1,490,586	\$ 4,683,332	\$ -	\$ 4,683,332	0.31%	152.79
2017	30,855	\$ 1,565,468	\$ 3,666,249	\$ -	\$ 3,666,249	0.23%	118.82
2018	31,363	\$ 1,903,767	\$ 2,634,166	\$ -	\$ 2,634,166	0.14%	83.99
2019	31,967	\$ 2,163,570	\$ 1,567,083	\$ -	\$ 1,567,083	0.07%	49.02
2020	32,642	\$ 2,163,570	\$ 500,000	\$ -	\$ 500,000	0.02%	15.32
2021	32,642	\$ 2,567,377	\$ -	\$ -	\$ -	0.00%	-
2022	32,642	\$ 2,346,079	\$ -	\$ -	\$ -	0.00%	-
2023	34,062	\$ 2,799,143	\$ -	\$ -	\$ -	0.00%	-
2024	34,470	\$ 3,119,953	\$ -	\$ -	\$ -	0.00%	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. General Obligation Bonds are net of discounts and premiums.

Clearfield City Corporation
Table 11 - Direct and Overlapping Governmental Activities Debt
As of June 30, 2024

Name of Governmental Unit	2023 Taxable Value	City's Estimated Portion of Taxable Value	Percent Applicable to Clearfield (C)	Net Outstanding Debt (1)	Amount Applicable to Clearfield
State of Utah	\$ 537,357,207,605	\$ 3,217,228,827	0.60%	\$ 1,469,510,000	\$ 8,798,151
Davis County School District	\$ 41,327,830,264	\$ 3,217,228,827	7.78%	\$ 516,830	\$ 40,233
Davis County	\$ 41,470,130,320	\$ 3,217,228,827	7.76%	\$ -	\$ -
Weber Basin Water Conservancy District	\$ 110,482,114,177	\$ 3,217,228,827	2.91%	\$ 8,560,000	\$ 249,266
North Davis County Sewer District	\$ 22,110,031,802	\$ 3,217,228,827	14.55%	\$ 5,180,000	\$ 753,741
Total overlapping debt					\$ 9,841,391
Clearfield City - direct	\$ 3,217,228,827	\$ 3,217,228,827	100.00%	\$ -	\$ -
Total direct and overlapping					\$ 9,841,391

1) Source: Davis County Auditor's Office (includes general bonded debt only)

Note A: The State of Utah general obligation debt is not included in the debt ratios because the State of Utah currently levies no ad valorem tax for payment of general obligation bonds.

Note B: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Note C: For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Clearfield City Corporation
Table 12 - Legal Debt Margin Information
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 57,669,800	\$ 59,623,440	\$ 62,618,720	\$ 66,034,560	\$ 73,556,640	\$ 81,876,640	\$ 80,998,600	\$ 99,151,982	\$ 121,926,941	\$ 128,629,211
Total net debt applicable to limit	\$ 5,380,000	\$ 4,455,000	\$ 3,495,000	\$ 2,520,000	\$ 1,510,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -
Legal debt margin	\$ 52,289,800	\$ 55,168,440	\$ 59,123,720	\$ 63,514,560	\$ 72,046,640	\$ 81,376,640	\$ 80,998,600	\$ 99,151,982	\$ 121,926,941	\$ 128,629,211
Total net debt applicable to the limit as a percentage of debt limit	9.33%	7.47%	5.58%	3.82%	2.05%	0.61%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2024

Total Assessed Actual Value	<u>\$ 3,215,730,270</u>
Debt limit - 4% of total actual value	\$ 128,629,211
Total amount of debt applicable to debt limit	<u>-</u>
Legal debt margin	<u>\$ 128,629,211</u>

Note: Under State Finance Law, the City's outstanding general obligation debt should not exceed 4% of total assessed property value.

Clearfield City Corporation
Table 13 - Revenue Bond Coverage
Last Ten Fiscal Years

Water Revenue Bonds

Fiscal Year	Water Utility Revenue	Operating Transfers	Expenses Net of Interest	Net Revenue Available For Debt Service	Principal	Interest	Total	Coverage
2015	\$ 3,659,779	\$ (187,857)	\$ 2,288,528	\$ 1,183,394	\$ 265,000	\$ 68,043	\$ 333,043	3.55
2016	\$ 3,737,691	\$ (977,336)	\$ 2,562,991	\$ 197,364	\$ 275,000	\$ 59,200	\$ 334,200	0.59
2017	\$ 3,516,981	\$ (374,188)	\$ 2,216,641	\$ 926,152	\$ 285,000	\$ 46,300	\$ 331,300	2.80
2018	\$ 3,752,705	\$ (365,456)	\$ 2,252,033	\$ 1,135,216	\$ 295,000	\$ 34,834	\$ 329,834	3.44
2019	\$ 3,465,288	\$ (398,542)	\$ 2,482,021	\$ 584,725	\$ 305,000	\$ 22,966	\$ 327,966	1.78
2020	\$ 3,737,476	\$ (405,879)	\$ 2,821,221	\$ 510,376	\$ 320,000	\$ 10,667	\$ 330,667	1.54
2021	\$ 4,043,319	\$ (301,125)	\$ 2,902,553	\$ 839,641	\$ -	\$ -	\$ -	0.00
2022	\$ 3,843,183	\$ (293,709)	\$ 3,096,379	\$ 453,095	\$ -	\$ -	\$ -	0.00
2023	\$ 4,731,856	\$ (294,693)	\$ 3,246,192	\$ 1,190,971	\$ -	\$ -	\$ -	0.00
2024	\$ 5,469,669	\$ (331,635)	\$ 4,025,187	\$ 1,112,847	\$ -	\$ -	\$ -	0.00

Sales Tax Revenue Bonds

Fiscal Year	Sales Tax Revenue	Principal	Interest	Total	Coverage
2015	No Sales Tax Revenue Bonds were issued during these fiscal years				
2016					
2017	\$ 6,538,020	\$ 61,000	\$ 169,651	\$ 230,651	28.35
2018	\$ 7,034,374	\$ 544,000	\$ 221,753	\$ 765,753	9.19
2019	\$ 7,486,080	\$ 723,000	\$ 472,397	\$ 1,195,397	6.26
2020	\$ 7,761,852	\$ 738,000	\$ 504,907	\$ 1,242,907	6.24
2021	\$ 8,420,461	\$ 1,186,000	\$ 486,992	\$ 1,672,992	5.03
2022	\$ 9,337,194	\$ 1,224,000	\$ 636,443	\$ 1,860,443	5.02
2023	\$ 10,206,035	\$ 1,151,000	\$ 1,040,636	\$ 2,191,636	4.66
2024	\$ 10,453,681	\$ 1,172,000	\$ 992,347	\$ 2,164,347	4.83

Clearfield City Corporation
Table 14 - Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (Amounts Expressed In Thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate (%)
2015	30,484	\$ 12,782,159	38,770	25.80	5,659	3.80%
2016	30,653	\$ 13,410,934	39,941	25.80	5,645	3.30%
2017	30,855	\$ 14,149,468	41,339	25.80	5,613	3.40%
2018	31,363	\$ 14,149,468	41,339	25.80	5,514	3.10%
2019	31,967	\$ 15,332,970	44,106	25.80	5,717	2.90%
2020	32,642	\$ 15,689,630	48,939	28.10	4,832	5.00%
2021	32,642	\$ 16,965,630	52,204	28.10	5,505	2.70%
2022	32,642	\$ 20,134,617	54,820	28.10	5,601	2.10%
2023	34,062	\$ 21,511,327	55,999	28.10	5,724	2.10%
2024	34,470	\$ 21,511,327	59,122	28.10	5,588	2.50%

Data Sources:

Population: Davis County Department of Community & Economic Development

Personal Income: US Bureau of Economic Analysis

Per Capital Personal Income: US Bureau of Economic Analysis

Median Age: Davis County Department of Community & Economic Development

School Enrollment: Davis County School District

Unemployment Rate: US Bureau of Labor Statistics, Local Area Unemployment Statistics

Note: Personal income information and per capital information are totals for the year and based on totals for Davis County in its entirety. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

Clearfield City Corporation
Table 15 - Principal Employers
Current Year and Nine Years Ago

Employer	2024			2015		
	Employees (Approximate)	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Department of Defense	10k-14.9k	1	41.00%	23,000	1	63.50%
Lifetime Products	1000-1999	2	0.06%	1,600	2	0.06%
Northrop Grumman Corp.	1000-1999	3	0.06%	250	9	0.02%
Utility Trailer Man	500-999	4	0.03%	1,043	3	0.05%
A Step Forward Home Health	100-249	5	0.01%			
Americold Logistics	100-249	6	0.01%	150	10	0.01%
Clearfield High School	100-249	7	0.01%			
ES#	100-249	8	0.01%			
Malnove Inc of Utah	100-249	9	0.01%			
Morgan Industries	100-249	10	0.01%			
Vista Outdoor/Alliant				800	4	0.04%
ATK Space Systems Inc.				693	5	0.03%
Clearfield Job Corp				400	6	0.01%
Pioneer Adult Rehabilitation Center				327	7	0.01%
Futura Industries				312	8	0.01%

Source: www.jobs.utah.gov-firmfind-largest-companies-Davis-County-download

Note: Clearfield City no longer tracks employee size through Business Licenses

Clearfield City Corporation
Table 16 - Full-time Equivalent Employees By Function
Last Ten Fiscal Years

Function / Department	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government										
Judicial	4	4	4	4	4	4	4	4	4	4
Legal	3	3	3	3	3	4	4	4	4	4
Executive	4	5	5	5	5	5	5	6	6	6
Finance	3	3	4	4	4	4	5	5	6	6
Customer service center	n/a	n/a	5	6	6	6	5	5	5	5
Buildings & plants	2	2	2	2	2	2	3	3	3	3
Planning & zoning	1	1	1	1	1	1	1	2	2	2
Human resources	2	2	2	2	2	2	2	2	2	2
Information technology	1	1	2	2	2	2	2	2	3	3
Public safety										
Police administration	7	7	5	5	5	5	7	7	7	8
Patrol & investigations	24	22	24	27	27	28	28	28	30	32
Liquor	1	1	1	0	0	0	0	0	0	0
Dispatch/emergency services	8	8	8	8	8	8	8	8	8	1
Public works										
Public works administration	1	2	2	3	3	3	5	6	6	6
Shops	2	2	2	2	2	2	2	2	2	2
Roadways	2	3	2	2	2	2	2	2	2	2
Community services										
Administration	2	3	2	2	2	2	2	2	3	3
Parks	5	6	6	6	6	6	6	6	6	6
Recreation	3	4	3	3	3	4	4	4	4	4
Aquatic Center	7	7	7	5	5	5	5	5	5	5
Community development										
Community & economic Development administration	1	1	1	1	1	1	1	1	1	1
CDBG	1	1	1	0	0	0	0	0	0	0
Inspections	1	1	1	1	1	1	1	2	2	2
Permitting	1	1	0	0	0	0	0	0	0	0
Code enforcement	2	2	2	2	2	2	2	2	2	2
Enterprise funds										
Utility administration	3	3	1	0	0	0	0	0	0	0
Water	5	4	4	4	4	5	5	5	5	7
Sewer	3	3	4	4	4	4	4	5	5	5
Storm sewer	1	1	1	1	1	1	1	1	1	1
Total employees	100	103	105	105	105	109	114	119	124	122

Source: Clearfield City Human Resource Department

Clearfield City Corporation
Table 17 - Operating Indicators by Function
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Incidents	15,792	15,125	13,704	14,279	13,372	13,448	13,190	13,067	14,244	15,429
Parking violations	196	69	5	449	480	320	183	15	71	74
Traffic violations	7,018	6,376	7,035	8,296	7,120	4,856	3,332	3,999	5,449	4,342
Highways and streets										
Street resurfacing	3	-	17	3	2	-	-	38	-	1
Recreation										
Units of service	192,563	163,491	***	***	***	***	***	***	***	***
Aquatic center admissions	93,569	124,872	119,367	118,262	106,335	140,921	83,571	89,901	103,066	155,186
Public works										
Building permits issued	326	363	504	450	559	717	826	856	651	700
Water										
New connections	51	63	58	15	5	55	81	163	61	111
Water main breaks	47	38	25	30	10	41	45	n/a	16	17
Utility customers	6,545	6,558	6,821	6,891	6,887	6,893	6,941	7,068	7,088	7,209
Average daily consumption										
Commercial	16,655,795	1,282,910	1,187,043	1,348,386	1,147,712	1,185,600	1,052,082	964,462	752,639	742,329
Residential	3,491,011	2,865,912	3,069,460	3,241,416	2,961,717	3,131,989	3,305,334	1,874,559	2,499,384	2,734,797

Source: Clearfield City Public Safety, Public Works, Community Services, and Finance Departments.

*** We no longer be tracking units of service due to the change in software

Clearfield City Corporation
Table 18 - Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Highways and streets										
Streets (miles)	85.90	85.90	85.90	85.90	85.90	106.40	106.40	106.40	110.60	110.60
Streetlights	1,183	1,183	1,188	1,330	1,330	1,330	1,330	1,330	1,330	1,330
Recreation										
Parks acreage	90.400	90.400	90.900	90.900	90.900	90.900	90.400	90.400	90.400	93.985
Parks	14	14	14	14	14	14	14	14	14	16
Soccer fields	6	6	6	6	6	6	6	6	6	6
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	5	5	5	5	5	1	1	1	1	1
Skate parks	1	1	1	1	1	1	1	1	1	1
Boweries	5	5	5	5	5	5	5	5	5	5
Softball/baseball diamonds	10	10	10	10	10	9	9	9	9	9
Community centers	1	1	1	1	1	1	1	1	1	1
Trails	3	3	3	3	3	3	3	3	3	3
Water										
Water mains (miles)	115.60	115.60	115.90	116.00	117.20	117.10	117.10	117.10	121.50	121.36
Fire hydrants	1,298	1,312	1,321	1,321	1,338	1,412	1,414	1,414	1,515	1,519
Sewer										
Sanitary sewers (miles)	84.20	84.20	86.40	86.40	86.40	86.80	86.20	86.20	89.90	90.41
Storm sewers (miles)	71.25	72.90	73.30	73.70	73.70	76.20	77.10	77.10	81.80	81.92

Source: Clearfield City Public Safety, Public Works, Community Services, and Finance Departments.

GOVERNMENT COMPLIANCE SECTION



COMMITTED. EXPERIENCED. TRUSTED.

PARTNERS

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clearfield City, Utah (the City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 20, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HBME, LLC

November 20, 2024
Bountiful, Utah



COMMITTED. EXPERIENCED. TRUSTED.

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

PARTNERS

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

Report on Compliance

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

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

Budgetary Compliance	Government Fees
Fund Balance	Cash Management
Justice Courts	Tax Levy Revenue Recognition
Restricted Taxes and Related	Public Treasurer's Bond
Revenues	Open and Public Meetings Act
Fraud Risk Assessment	

Opinion on Compliance

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

Basis for Opinion

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the 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 the 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 the 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 the 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 the 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 City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide* but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report On Internal Control over Compliance

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

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

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

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

HBME, LLC

November 20, 2024
Bountiful, Utah

CLEARFIELD CITY, UTAH
Schedule of Findings and Responses
For the Year Ended June 30, 2024

Current Year State Compliance Audit Guide Finding

No reportable matters noted.

Prior Year State Compliance Audit Guide Finding

2023-001: General Fund Unrestricted Fund Balance

Statement of Condition

During testing procedures, the auditors noted the City's unrestricted (defined by the Utah State Auditor's Office as committed, assigned, and unassigned) general fund balance as a percentage of total general fund revenue (excluding *other financing sources and uses*), for the year ended June 30, 2024, was as follows:

Unrestricted general fund balance:	\$9,907,633
Total general fund revenue:	\$23,921,518
Unrestricted fund balance as a percentage of revenue:	42.19%

Criteria

State law, *Utah Code 10-6-116-(2)*, requires that the accumulation of a fund balance in the City's general fund may not exceed 35% of the total revenue of the city general fund for the current fiscal year.

Cause

The City appears to have ignored the requirements of this calculation, by not taking the necessary steps to ensure unrestricted fund balance (as defined above) in the general fund did not exceed 35% of total general fund revenues (as defined above) for the fiscal year.

Effect

By not taking the necessary steps to ensure that unrestricted general fund balance, as a percentage of general fund revenues is less than 35% of total general fund revenues, the City is out of compliance with state law.

Recommendation

The City should monitor this calculation and take necessary steps to ensure unrestricted general fund balance remains below 35% of total general fund revenues, to comply with state law.

Management's Response

Management will perform a final review of general fund balances in May 2024 and take any necessary step to ensure compliance with Utah State Code 10-6-116-2 as of June 30, 2024.

Current Year Status

The ratio at June 30, 2024 was 29.75%. Condition has been satisfied.