

Annual Comprehensive Financial Report



Clearfield City, Utah

Fiscal Year Ended

June 30, 2025

CLEARFIELD CITY CORPORATION
Clearfield City, Utah

For the Year Ended June 30, 2025

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

CLEARFIELD CITY, UTAH
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INTRODUCTORY SECTION



December 22, 2025

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

It is my pleasure to present the 2025 Annual Comprehensive Financial Report (ACFR) of Clearfield City for the fiscal year ended June 30, 2025.

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 provide 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 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 (35,152). 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 thoroughfare 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, which was completed in the fall of 2024. The Master Development Plan includes up to 600,000 SF of office space, up to 1,000 residential units, public parks and open space and approximately 30,000 SF of retail space including a regional climbing gym. Private improvements were anticipated to begin in the first quarter of 2025, however sluggish market conditions and cost of lending and materials have delayed the projects vertical construction. Ongoing meeting with the development team give assurance that construction may begin soon. The city is exploring, with the development team, additional options to obtain necessary private funds to assist the developments commencement.

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

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, The Lotus Anthem project is complete and occupied, and includes 211 apartments, 99 townhomes, and a half-acre city 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 complete and working on lease ups for the building. 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:

- Crush Golf and Grill
- University Park Offices
- Studio Res (Marriot Extended Stay hotel)
- Dubs Auto expansion
- Monument Motors
- Waterfly Carwash
- Quick Quack Carwash
- Maverik
- Montessori School
- Alvey Townhomes (8 units waiting for permits)
- University Park Townhomes (40 Townhomes, 14 Complete)

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 (18 homes built, 12 more permitted)
- Heritage East- 56 homes (fully built out)
- Ivie Meadows – 10 homes (fully built out)
- 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 revised for the FY26 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 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 completed 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,



Rich Knapp
Finance Director

CLEARFIELD CITY, UTAH
City Officials
For the Year Ended June 30, 2025

Executive Budgetary

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

Statutory Appointed Officials

Nancy Dean	City Recorder
Rich Knapp	City Treasurer

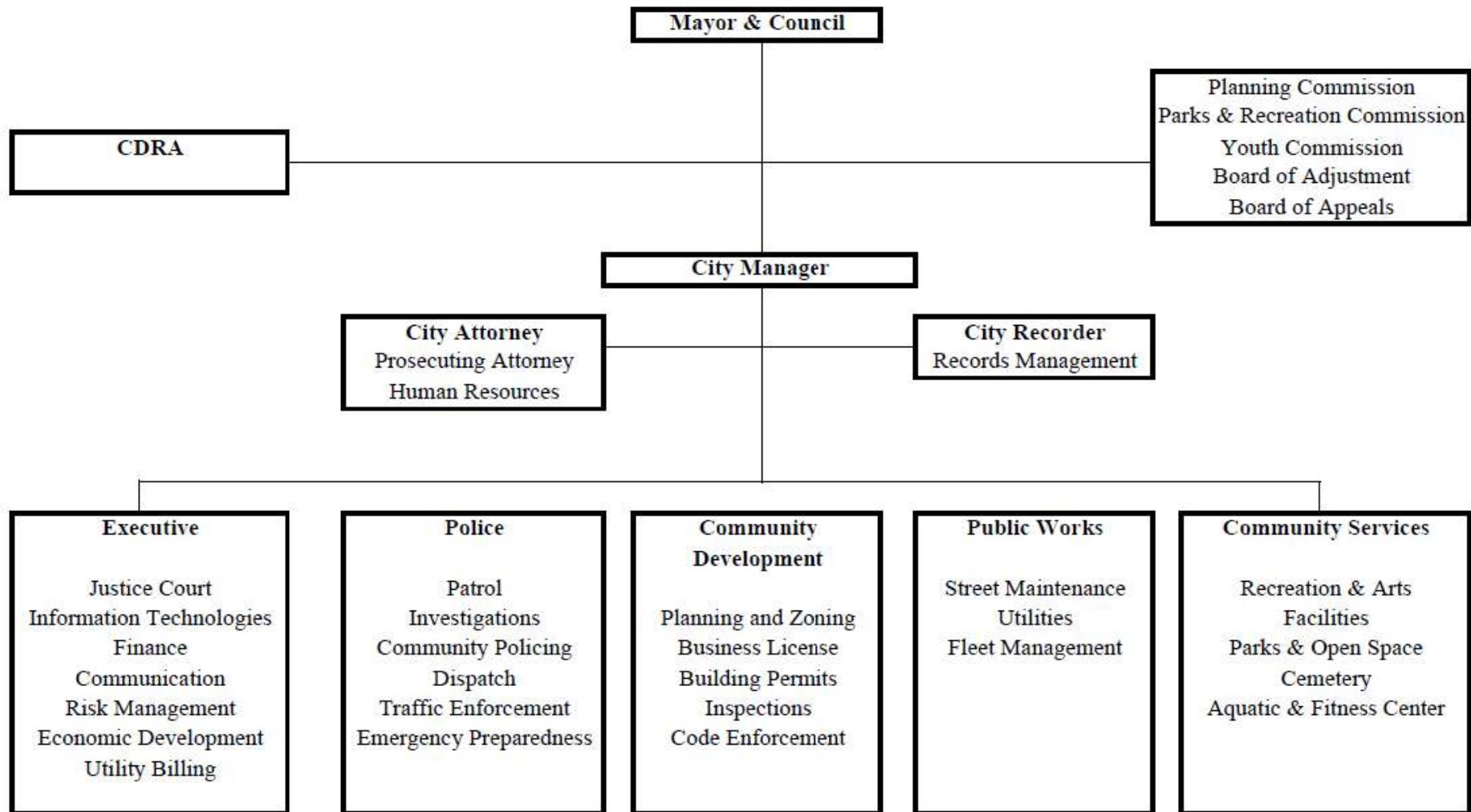
Department Heads

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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2025, 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 December 22, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

HBME, LLC

December 22, 2025
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, 2025. 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 City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$148,736,574 (net position). Of this amount, \$15,978,525 was unrestricted and available to meet the City's ongoing obligations to residents and creditors.
- Total net position increased by \$14,084,753, primarily due to conservative budgeting that emphasized cash funding for future projects, along with significant revenue growth from a \$1,523,527 increase in charges for services and \$5.7 million in grants from Davis County.
- Governmental funds reported combined ending fund balances of \$39,925,995, an increase of \$298,814 from the prior year. Unassigned fund balance was \$5,557,543 (14% of the total), available for spending at the government's discretion (*unassigned fund balance*).
- In the general fund, the committed, assigned, and unassigned balance was \$5,744,483, representing approximately 23.5% of total general fund revenues.

Overview of the Financial Statements

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

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 information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows 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 City's financial position 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 used to maintain control over resources segregated for specific activities or objectives. The City uses fund accounting to ensure compliance with finance-related legal requirements. Funds are divided into three categories: governmental, proprietary, and fiduciary.

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 five 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 water, 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 \$148,736,574 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	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 39,729,144	\$ 40,373,780	\$ 26,483,411	\$ 20,138,899	\$ 66,212,555	\$ 60,512,679
Capital assets	80,622,522	71,419,336	47,317,200	39,222,339	127,939,722	110,641,675
Total Assets	120,351,666	111,793,116	73,800,611	59,361,238	194,152,277	171,154,354
Total deferred outflows of resources	2,498,918	2,549,376	287,034	280,615	2,785,952	2,829,991
Current and other liabilities	5,245,858	6,353,821	2,987,688	1,406,322	8,233,546	7,760,143
Long-term liabilities	27,099,087	28,033,235	9,233,418	163,784	36,332,505	28,197,019
Total Liabilities	32,344,945	34,387,056	12,221,106	1,570,106	44,566,051	35,957,162
Total deferred inflows of resources	3,634,131	3,374,206	1,473	1,156	3,635,604	3,375,362
Net position						
Net investment in capital assets	59,278,728	42,368,192	47,317,200	39,222,339	106,595,928	81,590,531
Restricted	26,162,121	24,752,190	-	-	26,162,121	24,752,190
Unrestricted	1,430,659	9,460,848	14,547,866	18,848,252	15,978,525	28,309,100
Total Net Position	\$ 86,871,508	\$ 76,581,230	\$ 61,865,066	\$ 58,070,591	\$ 148,736,574	\$ 134,651,821

Current and other assets decreased in governmental activities by \$644,636 million from the prior year.

Current liabilities in governmental activities decreased \$1.1 million from the previous year. Long-term liabilities, consist of bonds, a purchase agreement, compensated absences, and URS pension obligations decreased by \$934,148 from the previous year, for governmental and business-type activities combined.

By far, the largest portion of the City's net position, \$106,595,928, 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, \$26,162,121, 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 \$15,978,525.

The City's overall net position increased \$14,084,753 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Management's Discussion and Analysis

CLEARFIELD CITY's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 7,359,931	\$ 8,582,488	\$ 16,799,171	\$ 14,053,087	\$ 24,159,102	\$ 22,635,575
Operating grants and contributions	3,433,256	2,400,844	-	-	3,433,256	2,400,844
Capital grants and contributions	9,609,749	3,783,144	231,736	306,839	9,841,485	4,089,983
General revenues:						
Property taxes	3,709,976	3,073,059	-	-	3,709,976	3,073,059
Sales taxes	7,460,820	7,263,282	-	-	7,460,820	7,263,282
Energy use and franchise taxes	3,214,222	3,443,185	-	-	3,214,222	3,443,185
Other taxes	447,493	438,690	-	-	447,493	438,690
Investment earnings	1,024,956	2,190,228	1,098,893	867,643	2,123,849	3,057,871
Miscellaneous	359,646	292,162	27,068	46,589	386,714	338,751
Gain on sale of assets	294,353	346,077	-	-	294,353	346,077
Total revenues	36,914,402	31,813,159	18,156,868	15,274,158	55,071,270	47,087,317
Expenses:						
General government	7,120,336	7,108,941	-	-	7,120,336	7,108,941
Public safety	8,343,646	8,393,085	-	-	8,343,646	8,393,085
Streets and public improvements	1,949,087	2,405,793	-	-	1,949,087	2,405,793
Culture and recreation	7,278,704	6,571,899	-	-	7,278,704	6,571,899
Community development	1,689,917	1,392,538	-	-	1,689,917	1,392,538
Interest on long-term debt	561,635	265,321	-	-	561,635	265,321
Public utility administration	-	-	451,231	439,112	451,231	439,112
Water utility	-	-	4,626,515	4,558,942	4,626,515	4,558,942
Sewer utility	-	-	5,369,310	5,289,433	5,369,310	5,289,433
Solid waste utility	-	-	1,888,726	1,718,725	1,888,726	1,718,725
Storm drain utility	-	-	1,707,410	1,631,670	1,707,410	1,631,670
Total expenses	26,943,325	26,137,577	14,043,192	13,637,882	40,986,517	39,775,459
Increase (decrease) in net position before transfers	9,971,077	5,675,582	4,113,676	1,636,276	14,084,753	7,311,858
Transfers	319,201	301,127	(319,201)	(408,674)	-	(107,547)
Change in net position	10,290,278	5,976,709	3,794,475	1,227,602	14,084,753	7,204,311
Net position - beginning	76,581,230	70,604,521	58,070,591	56,842,989	134,651,821	127,447,510
Net position - ending	\$ 86,871,508	\$ 76,581,230	\$ 61,865,066	\$ 58,070,591	\$ 148,736,574	\$ 134,651,821

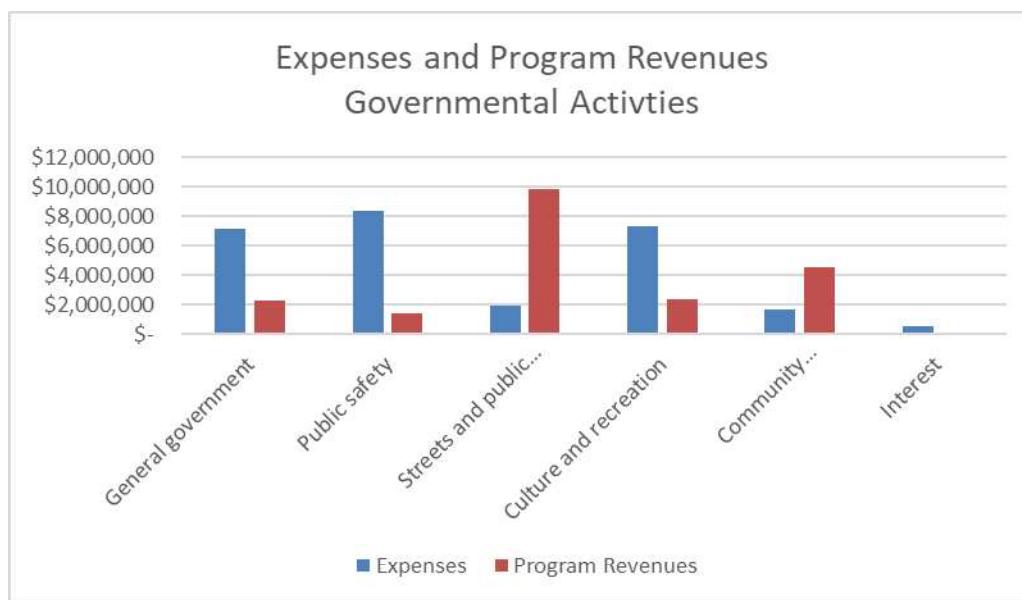
Governmental Activities. During the current fiscal year, net position for governmental activities increased \$10,290,278 million from the prior fiscal year, for an ending balance of \$86,871,508. The increase in the overall net position of governmental activities is primarily due to a \$6.8 million state grant received during the current year that will provide funds for a current capital project.

Revenues increased \$5,101,243, primarily due to a increase in capital grants. Energy and sales taxes remain the largest sources of revenue, at \$10.6 million for the current fiscal year.

Expenses increased during the current year, from \$26,137,577 to \$26,943,325. Increased expenses are primarily a result of increased payroll costs.

Management's Discussion and Analysis

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 cost associated with various programs.



Business-type Activities. Operations increased net position by \$4,113,676 before transfers; after transfers, the increase was \$3,794,475. The primary driver was higher charges for services.

Financial Analysis of Governmental Funds

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

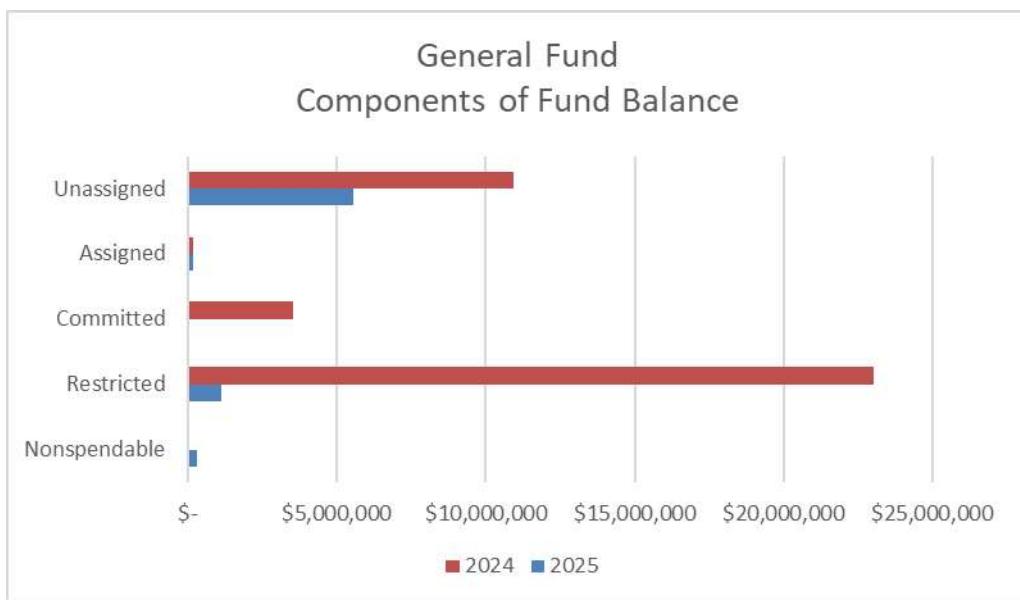
Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure 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, 2025, the City's governmental funds reported combined fund balances of \$39,925,995, an increase of \$298,814 in comparison with the prior year. Of this amount, \$5,557,543, or 14%, 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, \$1,010,150; (2) restricted for particular purposes, \$26,162,121; (3) committed for particular purposes, \$0 or (4) assigned for particular purposes, \$186,940.

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 \$5,557,543, while total fund balance decreased to \$7,144,030. 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 24.3% of total general fund revenues, while total fund balance represents 30% of that same amount.



The fund balance of the City's general fund decreased by \$1,395,922 during the current fiscal year. The decrease is a result of planned use of reserves for capital projects.

The capital projects fund, a major fund, had a \$307,198 increase in fund balance during the current fiscal year, which put the overall fund balance at \$8,953,049.

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 decreased \$4.3M.

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:

- A variance of \$1.49M resulted as 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, 2025, amounts to \$127,939,722 (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 16%.

Clearfield City's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
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	34,030,068	30,110,684	1,092,262	1,704,145	35,122,330	31,814,829
Water rights and shares	25,200	25,200	9,162	9,162	34,362	34,362
Buildings	14,408,314	13,523,949	10,970,999	4,582,381	25,379,313	18,106,330
Building improvements	8,967,142	8,262,909	475,103	506,029	9,442,245	8,768,938
Equipment and vehicles	3,714,698	3,761,125	179,775	209,470	3,894,473	3,970,595
Infrastructure	14,843,140	11,101,509	33,185,322	30,806,575	48,028,462	41,908,084
Total Capital Assets	<u>\$ 80,622,522</u>	<u>\$ 71,419,336</u>	<u>\$ 47,317,200</u>	<u>\$ 39,222,339</u>	<u>\$ 127,939,722</u>	<u>\$ 110,641,675</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 \$9,582,081 and \$10,380,152 for governmental and business-type activities, respectively.
- The purchase of various vehicles and equipment at a total cost of \$1,111,612 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 \$25,083,000, a water fund loan payable of \$9,500,000 for infrastructure, and a purchase agreement of \$910,044.

Clearfield City's Outstanding Debt

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenue bonds	\$ 25,083,000	\$ 25,992,000	\$ -	\$ -	\$ 25,083,000	\$ 25,992,000
Purchase agreement	910,044	1,112,532	-	-	910,044	1,112,532
Loan payable	-	-	9,500,000	-	9,500,000	-
Total	<u>\$ 25,993,044</u>	<u>\$ 27,104,532</u>	<u>\$ 9,500,000</u>	<u>\$ -</u>	<u>\$ 35,493,044</u>	<u>\$ 27,104,532</u>

The City's total debt had a net increase of \$8,388,512 during the current fiscal year: \$9,500,000 of new debt and \$1,111,488 in principal payments.

The City maintained an "AA" rating from Standard & Poor's for general obligation debt. As of June 30, 2025, 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

Key factors considered for the FY 2026 budget:

- Low unemployment and competitive wage pressures led to compensation increases.
- Water and sewer rates increased to cover rising costs, particularly capital projects.
- Utility rates (water, sewer, storm) will continue incremental increases per a recent third-party rate study.
- Property tax revenues grew from new development.
- Development-related fees remain elevated but are slowing.
- Sales tax growth moderating after strong inflation-driven gains.
- Investment earnings remain higher than historical levels.
- Expenditure increases anticipated, primarily in 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
For the Year Ended June 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 25,805,261	\$ 23,653,716	\$ 49,458,977
Restricted cash and cash equivalents	6,515,315	198,317	6,713,632
Receivables:			
Accounts, net	295,955	1,687,503	1,983,458
Taxes	5,475,804	-	5,475,804
Intergovernmental receivable	626,659	-	626,659
Prepays	300,645	943,875	1,244,520
Land held for sale	709,505	-	709,505
Capital assets not being depreciated	38,689,228	2,506,001	41,195,229
Capital assets, net of accumulated depreciation	41,933,294	44,811,199	86,744,493
Total assets	<u>120,351,666</u>	<u>73,800,611</u>	<u>194,152,277</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	70,842	-	70,842
Pension related	2,428,076	287,034	2,715,110
Total deferred outflows of resources	<u>2,498,918</u>	<u>287,034</u>	<u>2,785,952</u>
LIABILITIES			
Accounts payable	1,325,797	1,865,111	3,190,908
Accrued liabilities	1,006,046	95,779	1,101,825
Accrued interest payable	265,643	255,788	521,431
Deposits, retainage, and cash held in trust	734,620	204,450	939,070
Intergovernmental payables	22,080	-	22,080
Noncurrent liabilities:			
Due within one year			
Bonds, notes, and compensated absenses	1,891,672	566,560	2,458,232
Due in more than one year			
Bonds, notes, and compensated absenses	24,727,646	9,019,535	33,747,181
Net pension liability	<u>2,371,441</u>	<u>213,883</u>	<u>2,585,324</u>
Total liabilities	<u>32,344,945</u>	<u>12,221,106</u>	<u>44,566,051</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	3,607,596	-	3,607,596
Pension related	26,535	1,473	28,008
Total deferred inflows of resources	<u>3,634,131</u>	<u>1,473</u>	<u>3,635,604</u>
NET POSITION			
Net investment in capital assets	59,278,728	47,317,200	106,595,928
Restricted for:			
Debt service	914,150	-	914,150
Community development projects	8,953,049	-	8,953,049
Capital improvements - redevelopment	12,370,195	-	12,370,195
Culture and recreation purposes	3,552,781	-	3,552,781
Cemetery care	371,946	-	371,946
Unrestricted	<u>1,430,659</u>	<u>14,547,866</u>	<u>15,978,525</u>
Total net position	<u>\$ 86,871,508</u>	<u>\$ 61,865,066</u>	<u>\$ 148,736,574</u>

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

CLEARFIELD CITY, UTAH
Statement of Activities
For the Year Ended June 30, 2025

	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
<u>Primary Government</u>							
Governmental activities							
General government	\$ 7,120,336	\$ 2,300,691	\$ -	\$ -	\$ (4,819,645)		\$ (4,819,645)
Public safety	8,343,646	1,111,453	267,072	-	(6,965,121)		(6,965,121)
Streets and public improvements	1,949,087	307,692	2,237,138	7,310,866	7,906,609		7,906,609
Culture and recreation	7,278,704	2,357,187	-	-	(4,921,517)		(4,921,517)
Community development	1,689,917	1,282,908	929,046	2,298,883	2,820,920		2,820,920
Interest	561,635	-	-	-	(561,635)		(561,635)
Total governmental activities	26,943,325	7,359,931	3,433,256	9,609,749	(6,540,389)		(6,540,389)
Business-type activities							
Public utility administration	451,231	173,464	-	-	\$ (277,767)		(277,767)
Water utility	4,626,515	6,544,547	-	153,057	2,071,089		2,071,089
Sewer utility	5,369,310	6,046,203	-	72,701	749,594		749,594
Solid waste utility	1,888,726	2,050,184	-	-	161,458		161,458
Storm drain utility	1,707,410	1,984,773	-	5,978	283,341		283,341
Total business-type activities	14,043,192	16,799,171	-	231,736	2,987,715		2,987,715
Total primary government	\$ 40,986,517	\$ 24,159,102	\$ 3,433,256	\$ 9,841,485		2,987,715	(3,552,674)
General Revenues:							
Taxes							
Property					3,709,976	-	3,709,976
Sales					7,460,820	-	7,460,820
Energy use and franchise					3,214,222	-	3,214,222
Other					447,493	-	447,493
Investment earnings					1,024,956	1,098,893	2,123,849
Gain on sale of capital assets					294,353	-	294,353
Miscellaneous					359,646	27,068	386,714
Transfers - net					319,201	(319,201)	-
Total general revenue and transfers					16,830,667	806,760	17,637,427
Change in net position							
Net position - beginning					10,290,278	3,794,475	14,084,753
Net position - ending					\$ 86,871,508	\$ 61,865,066	\$ 148,736,574

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

CLEARFIELD CITY, UTAH
Balance Sheet – Governmental Funds
June 30, 2025

	General	Special Revenue CRDA	Capital Projects	Total Nonmajor Funds		Total
ASSETS						
Cash and cash equivalents	\$ 5,313,849	\$ 12,172,734	\$ 7,987,817	\$ 81,005	\$ 25,555,405	
Restricted cash and cash equivalents	914,150	197,461	1,343,821	4,059,883	6,515,315	
Receivables:						
Accounts, net	295,955	-	-	-	295,955	
Taxes	5,475,804	-	-	-	5,475,804	
Intergovernmental receivable	626,659	-	-	-	626,659	
Due from other funds	-	-	446,707	-	446,707	
Prepaid items	300,645	-	-	-	300,645	
Land held for resale	-	709,505	-	-	709,505	
Total assets	\$ 12,927,062	\$ 13,079,700	\$ 9,778,345	\$ 4,140,888	\$ 39,925,995	
LIABILITIES						
Accounts payable	\$ 374,444	\$ -	\$ 825,296	\$ -	\$ 1,199,740	
Liabilities payable from restricted assets	1,000	-	-	-	1,000	
Retainage payable	668,928	-	-	-	668,928	
Accrued liabilities	997,498	-	-	-	997,498	
Deposits payable	65,692	-	-	-	65,692	
Intergovernmental payables	22,080	-	-	-	22,080	
Due to other funds	45,794	-	-	400,913	446,707	
Total liabilities	2,175,436	-	825,296	400,913	3,401,645	
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	3,607,596	-	-	-	3,607,596	
Total deferred inflows of resources	3,607,596	-	-	-	3,607,596	
FUND BALANCES						
Nonspendable:						
Prepaid items	300,645	-	-	-	300,645	
Land held for resale	-	709,505	-	-	709,505	
Restricted:						
Debt service	914,150	-	-	-	914,150	
Cemetery care	-	-	-	371,946	371,946	
Culture and recreation	184,752	-	-	3,368,029	3,552,781	
Community development projects	-	-	8,953,049	-	8,953,049	
Capital improvements - redevelopment	-	12,370,195	-	-	12,370,195	
Assigned:						
Culture and recreation purposes	186,940	-	-	-	186,940	
Unassigned	5,557,543	-	-	-	5,557,543	
Total fund balances	\$ 7,144,030	\$ 13,079,700	\$ 8,953,049	\$ 3,739,975	\$ 32,916,754	
Total liabilities, deferred inflows of resources and fund balances	\$ 12,927,062	\$ 13,079,700	\$ 9,778,345	\$ 4,140,888	\$ 39,925,995	

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, 2025

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

Total fund balances - governmental funds	\$ 32,916,754
Capital assets of \$126,755,223, net of accumulated depreciation of \$49,496,340, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	77,258,883
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	2,404,115
Deferred inflows - pension related	<u>(26,412)</u>
Total deferred outflows and inflows related to postemployment benefits	2,377,703
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	(25,083,000)
Purchase agreement payable	(910,044)
Compensated absences	(626,274)
Accrued interest payable on long-term debt	<u>(265,643)</u>
Total long-term liabilities	(26,884,961)
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	70,842
Net pension liability is not due and payable in the current period, and therefore, is not reported in the funds.	(2,353,587)
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.	<u>3,485,874</u>
Net position - governmental activities	<u>\$ 86,871,508</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, 2025

	General	Special Revenue CRDA	Capital Projects	Total	
				Nonmajor Funds	Total
REVENUES					
Property taxes	\$ 3,709,976	\$ -	\$ -	\$ -	\$ 3,709,976
Sales taxes	7,460,820	-	-	-	7,460,820
Energy use and franchise taxes	3,214,222	-	-	-	3,214,222
Other taxes	447,493	-	-	-	447,493
Licenses and permits	783,054	-	-	-	783,054
Intergovernmental	2,849,113	2,883,026	7,233,658	-	12,965,797
Charges for services	4,333,586	16,216	-	18,150	4,367,952
Fines and forfeitures	696,196	-	-	-	696,196
Investments earnings, net	(208,995)	567,573	502,494	163,884	1,024,956
Special assessments - impact fees	-	-	-	77,208	77,208
Miscellaneous	359,646	-	-	-	359,646
Total revenues	23,645,111	3,466,815	7,736,152	259,242	35,107,320
EXPENDITURES					
Current:					
General government	6,406,488	-	19,396	-	6,425,884
Public safety	7,792,706	-	-	-	7,792,706
Streets and public improvements	980,873	-	224,243	-	1,205,116
Culture and recreation	5,668,304	-	-	-	5,668,304
Community development	830,633	527,413	-	-	1,358,046
Debt service:					
Principal	1,111,488	-	-	-	1,111,488
Interest and other financial	549,880	-	-	-	549,880
Capital outlay:					
General government	44,121	-	-	-	44,121
Streets and public improvements	-	-	10,086,532	-	10,086,532
Culture and recreation	756,744	-	-	-	756,744
Total expenditures	24,141,237	527,413	10,330,171	-	34,998,821
Excess (deficiency) of revenues over expenditures	(496,126)	2,939,402	(2,594,019)	259,242	108,499
OTHER FINANCING SOURCES (USES)					
Transfers in	1,455,307	-	2,901,217	-	4,356,524
Transfers out	(2,355,503)	(1,811,106)	-	-	(4,166,609)
Sale of general capital assets	400	-	-	-	400
Total other financing sources (uses)	(899,796)	(1,811,106)	2,901,217	-	190,315
Net change in fund balances	(1,395,922)	1,128,296	307,198	259,242	298,814
Fund balances, beginning of year	8,539,952	11,951,404	8,645,851	3,480,733	32,617,940
Fund balances, end of year	\$ 7,144,030	\$ 13,079,700	\$ 8,953,049	\$ 3,739,975	\$ 32,916,754

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, 2025

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

Net change in fund balances - total governmental funds	\$ 298,814
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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	10,887,397
Depreciation expense	<u>(1,803,872)</u>
	9,083,525

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	909,000
Principal paid on purchase agreement	<u>202,488</u>
	1,111,488

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	11,860
Amortization of bond discount and deferred amounts of refunding	<u>(23,615)</u>
Compensated absences	101,883
Changes in pension liabilities and related deferred outflows and inflows of resources	<u>(411,918)</u>
	(321,790)

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.

Change in net position - governmental activities	<u>118,241</u>
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<u>\$ 10,290,278</u>	
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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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 3,463,392	\$ 3,463,392	\$ 3,709,976	\$ 246,584
Sales taxes	7,400,000	7,400,000	7,460,820	60,820
Franchise taxes	3,572,000	3,572,000	3,214,222	(357,778)
Other taxes	423,000	423,000	447,493	24,493
Licenses and permits	758,900	758,900	783,054	24,154
Intergovernmental	2,800,216	2,830,216	2,849,113	18,897
Charges for services	4,127,391	4,127,391	4,333,586	206,195
Fines and forfeitures	630,750	630,750	696,196	65,446
Investments earnings	130,000	130,000	(208,995)	(338,995)
Miscellaneous	123,212	123,212	359,646	236,434
Total revenues	<u>23,428,861</u>	<u>23,458,861</u>	<u>23,645,111</u>	<u>186,250</u>
EXPENDITURES				
Current:				
General government:				
Mayor and council	449,027	449,027	430,232	18,795
Justice court	487,756	487,756	478,528	9,228
City manager	560,786	560,786	532,925	27,861
Recorder	308,949	308,949	293,659	15,290
Legal	722,348	722,348	688,570	33,778
Human resources	475,371	475,371	401,698	73,673
Information technology	1,002,058	1,002,100	942,018	60,082
Finance	673,709	684,709	657,853	26,856
Customer service	352,903	360,403	313,869	46,534
Facilities	907,460	907,620	814,136	93,484
Elections	18,000	18,000	10,160	7,840
Non-departmental	897,448	932,448	842,840	89,608
Total general government	<u>6,855,815</u>	<u>6,909,517</u>	<u>6,406,488</u>	<u>503,029</u>
Public safety:				
Police	7,415,596	7,447,710	7,166,529	281,181
Dispatch and emergency services	135,688	135,688	119,622	16,066
Code enforcement and inspections	500,701	530,867	506,555	24,312
Total public safety	<u>8,051,985</u>	<u>8,114,265</u>	<u>7,792,706</u>	<u>321,559</u>
Highways and streets:				
Administrative	192,493	192,744	185,919	6,825
Streets	1,490,262	1,490,819	794,954	695,865
Total highways and streets	<u>1,682,755</u>	<u>1,683,563</u>	<u>980,873</u>	<u>702,690</u>
Culture and recreation:				
Administrative	663,898	663,898	639,491	24,407
Recreation and events	876,697	876,906	714,724	162,182
Parks and open spaces	1,744,779	1,786,437	1,627,005	159,432
Aquatic center	2,602,702	2,614,202	2,334,571	279,631
Cemetery	177,669	183,435	136,555	46,880
Arts	285,912	285,912	215,958	69,954
Total culture and recreation	<u>6,351,657</u>	<u>6,410,790</u>	<u>5,668,304</u>	<u>742,486</u>
Community development				
Administrative	346,730	346,730	191,492	155,238
Communications	312,695	312,695	311,990	705
Federal funds - CDBG	248,412	248,412	76,848	171,564
Planning and zoning	329,044	329,086	250,303	78,783
Total community development	<u>1,236,881</u>	<u>1,236,923</u>	<u>830,633</u>	<u>406,290</u>
Debt service:				
Principal	1,111,488	1,111,488	1,111,488	-
Interest and other financial	549,779	549,779	549,880	(101)
Total debt service	<u>1,661,267</u>	<u>1,661,267</u>	<u>1,661,368</u>	<u>(101)</u>
Capital outlay:				
General government	100,000	100,000	44,121	55,879
Culture and recreation	826,005	853,005	756,744	96,261
Total capital outlay	<u>926,005</u>	<u>953,005</u>	<u>800,865</u>	<u>152,140</u>
Total expenditures	<u>26,766,365</u>	<u>26,969,330</u>	<u>24,141,237</u>	<u>2,828,093</u>
Excess (deficiency) of revenues over expenditures	<u>(3,337,504)</u>	<u>(3,510,469)</u>	<u>(496,126)</u>	<u>3,014,343</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,413,062	1,413,062	1,455,307	42,245
Transfers out	(3,844,845)	(3,844,845)	(2,355,503)	1,489,342
Sale of capital assets	-	-	400	400
Total other financing sources (uses)	<u>(2,431,783)</u>	<u>(2,431,783)</u>	<u>(899,796)</u>	<u>1,531,987</u>
Net change in fund balance	<u>\$ (5,769,287)</u>	<u>\$ (5,942,252)</u>	<u>(1,395,922)</u>	<u>\$ 4,546,330</u>
Fund balance, beginning of year			8,539,952	
Fund balance, end of year			<u>\$ 7,144,030</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 – Community Development & Renewal Agency Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 2,856,841	\$ 2,856,841	\$ 2,883,026	\$ 26,185
Charges for services	-	-	16,216	16,216
Investment earnings	100,000	100,000	567,573	467,573
Total revenues	<u>2,956,841</u>	<u>2,956,841</u>	<u>3,466,815</u>	<u>509,974</u>
EXPENDITURES				
Capital outlay				
Streets and public improvements	2,070,269	2,070,269	527,413	1,542,856
Total expenditures	<u>2,070,269</u>	<u>2,070,269</u>	<u>527,413</u>	<u>1,542,856</u>
Excess (deficiency) of revenues over expenditures	<u>886,572</u>	<u>886,572</u>	<u>2,939,402</u>	<u>2,052,830</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,813,493)	(1,813,493)	(1,811,106)	2,387
Total other financing sources (uses)	<u>(1,813,493)</u>	<u>(1,813,493)</u>	<u>(1,811,106)</u>	<u>2,387</u>
Net change in fund balance	<u>\$ (926,921)</u>	<u>\$ (926,921)</u>	<u>1,128,296</u>	<u>\$ 2,055,217</u>
Fund balance, beginning of year			<u>11,951,404</u>	
Fund balance, end of year			<u>\$ 13,079,700</u>	

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

CLEARFIELD CITY, UTAH
Statement of Net Position – Proprietary Funds
June 30, 2025

	Business-type Activities						Governmental Activities	
	Public Utility Administration	Water Utility	Sewer Utility	Solid Waste Utility	Storm Drain Utility	Total	Internal Service Funds	
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 248,299	\$ 12,328,950	\$ 5,213,285	\$ 591,485	\$ 5,271,697	\$ 23,653,716	\$ 249,856	
Restricted cash and cash equivalents	-	-	-	-	198,317	198,317	-	
Accounts receivable, net	26,050	719,755	549,016	207,550	185,132	1,687,503	-	
Prepaid items	-	943,875	-	-	-	943,875	-	
Total current assets	274,349	13,992,580	5,762,301	799,035	5,655,146	26,483,411	249,856	
Noncurrent assets:								
Capital assets:								
Land and right of ways	-	-	-	-	1,404,577	1,404,577	-	
Construction in progress	-	843,352	154,038	-	94,872	1,092,262	-	
Water rights and shares	-	9,162	-	-	-	9,162	-	
Buildings	-	6,073,284	2,696,818	2,689,915	2,693,383	14,153,400	-	
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	7,474,537	
Infrastructure	-	34,951,952	23,552,131	-	26,593,604	85,097,687	-	
Less accumulated depreciation	-	(23,265,847)	(15,214,319)	(102,641)	(18,310,020)	(56,892,827)	(4,110,898)	
Net capital assets	-	20,783,183	11,272,809	2,636,606	12,624,602	47,317,200	3,363,639	
Total noncurrent assets	20,783,183	11,272,809	2,636,606	12,624,602	47,317,200	3,363,639		
Total assets	274,349	34,775,763	17,035,110	3,435,641	18,279,748	73,800,611	3,613,495	
DEFERRED OUTFLOWS OF RESOURCES								
Pension related	35,163	86,144	92,246	12,193	61,288	287,034	23,961	
LIABILITIES								
Current liabilities:								
Accounts payable	655	607,759	655,498	288,914	312,285	1,865,111	125,057	
Accrued liabilities	9,400	30,715	30,062	3,740	21,862	95,779	8,548	
Compensated absences	9,664	20,580	20,580	6,080	20,580	77,484	-	
Notes payable, current portion	-	489,076	-	-	-	489,076	-	
Customer deposits payable	204,450	-	-	-	-	204,450	-	
Accrued interest payable	-	255,788	-	-	-	255,788	-	
Total current liabilities	224,169	1,403,918	706,140	298,734	354,727	2,987,688	133,605	
Noncurrent liabilities:								
Notes payable	-	9,010,924	-	-	-	9,010,924	-	
Compensated absences	1,074	2,287	2,287	676	2,287	8,611	-	
Net pension liability	26,202	64,189	68,737	9,086	45,669	213,883	17,854	
Total noncurrent liabilities	27,276	9,077,400	71,024	9,762	47,956	9,233,418	17,854	
Total liabilities	251,445	10,481,318	777,164	308,496	402,683	12,221,106	151,459	
DEFERRED INFLOWS OF RESOURCES								
Pension related	180	443	473	63	314	1,473	123	
NET POSITION								
Net investment in capital assets	-	20,783,183	11,272,809	2,636,606	12,624,602	47,317,200	3,363,639	
Unrestricted	57,887	3,596,963	5,076,910	502,669	5,313,437	14,547,866	122,235	
Total net position	\$ 57,887	\$ 24,380,146	\$ 16,349,719	\$ 3,139,275	\$ 17,938,039	\$ 61,865,066	\$ 3,485,874	

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, 2025

	Business-type Activities						Governmental Activities	
	Public Utility Administration	Water Utility	Sewer Utility	Solid Waste Utility	Storm Drain Utility	Total	Internal Service Funds	
OPERATING REVENUES								
Charges for services:								
Metered sales and connection fees	\$ 16,496	\$ 6,544,547	\$ 6,046,203	\$ -	\$ 1,984,773	\$ 14,592,019	\$ -	
Collection fees	-	-	-	2,050,184	-	2,050,184	-	
Fleet management	-	-	-	-	-	-	1,082,243	
Risk management	-	-	-	-	-	-	430,486	
Fines and late fees	156,968	-	-	-	-	156,968	-	
Miscellaneous	-	539	26,529	-	-	27,068	-	
Total operating revenues	173,464	6,545,086	6,072,732	2,050,184	1,984,773	16,826,239	1,512,729	
OPERATING EXPENSES								
Personnel services	248,511	610,603	649,698	84,509	433,746	2,027,067	190,115	
Materials and supplies	199,312	790,775	405,931	50,216	260,661	1,706,895	257,256	
Contractual services	-	1,978,995	3,673,823	1,713,670	288,691	7,655,179	569,181	
Depreciation	-	941,404	604,242	27,687	711,958	2,285,291	801,175	
Total operating expenses	447,823	4,321,777	5,333,694	1,876,082	1,695,056	13,674,432	1,817,727	
Operating income (loss)	(274,359)	2,223,309	739,038	174,102	289,717	3,151,807	(304,998)	
NONOPERATING REVENUES (EXPENSES)								
Investment earnings	-	414,923	326,412	61,395	296,163	1,098,893	-	
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	293,953	
Interest expense and bank fees	(3,408)	(304,738)	(35,616)	(12,644)	(12,354)	(368,760)	-	
Total nonoperating revenues (expenses)	(3,408)	110,185	290,796	48,751	283,809	730,133	293,953	
Income (loss) before transfers and other	(277,767)	2,333,494	1,029,834	222,853	573,526	3,881,940	(11,045)	
Special assessment - impact fees	-	153,057	72,701	-	5,978	231,736	-	
Transfers in	250,582	1,650,000	2,000,000	-	-	3,900,582	129,286	
Transfers out	-	(2,332,084)	(1,815,837)	(11,702)	(60,160)	(4,219,783)	-	
Change in net position	(27,185)	1,804,467	1,286,698	211,151	519,344	3,794,475	118,241	
Net position, beginning of year	85,072	22,575,679	15,063,021	2,928,124	17,418,695	58,070,591	3,367,633	
Net position, ending of year	\$ 57,887	\$ 24,380,146	\$ 16,349,719	\$ 3,139,275	\$ 17,938,039	\$ 61,865,066	\$ 3,485,874	

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, 2025

	Public Utility Administration	Water Utility	Enterprise Funds			Governmental Activities	
			Sewer Utility	Solid Waste Utility	Storm Drain Utility	Total	Internal Service Funds
Cash flows from operating activities							
Receipts from customers and users	\$ 172,002	\$ 6,391,220	\$ 6,013,743	\$ 2,000,045	\$ 1,963,116	\$ 16,540,126	\$ 1,512,729
Payments to suppliers	(204,026)	(2,317,973)	(3,920,211)	(1,649,456)	(310,476)	(8,402,142)	(949,871)
Payments to employees	(234,602)	(586,082)	(623,519)	(81,490)	(410,373)	(3,936,066)	(184,170)
Net cash from operating activities	(266,626)	3,487,165	1,470,013	269,099	1,242,267	6,201,918	378,688
Cash flows from noncapital financing activities							
Cash paid for bank fees	(3,408)	(304,738)	(35,616)	(12,644)	(12,354)	(368,760)	-
Transfers (to) from other funds	250,582	(682,084)	184,163	(11,702)	(60,160)	(319,201)	129,286
Net cash from noncapital financing activities	247,174	(986,822)	148,547	(24,346)	(72,514)	(687,961)	129,286
Cash flows from capital and related financing activities							
Acquisition of capital assets	-	(3,788,717)	(2,797,389)	(1,504,827)	(2,289,219)	(10,380,152)	(1,084,363)
Proceeds from sale of assets	-	-	-	-	-	-	457,480
Proceeds from developer impact fees	-	153,057	72,701	-	5,978	231,736	-
Proceeds from notes payable	-	9,500,000	-	-	-	9,500,000	-
Net cash from capital and related financing activities	-	5,864,340	(2,724,688)	(1,504,827)	(2,283,241)	(648,416)	(626,883)
Cash flows from investing activities							
Interest on investments	-	414,923	326,412	61,395	296,163	1,098,893	-
Net cash from investing activities	-	414,923	326,412	61,395	296,163	1,098,893	-
Net change in cash and cash equivalents	(19,452)	8,779,606	(779,716)	(1,198,679)	(817,325)	5,964,434	(118,909)
Cash and cash equivalents, beginning of year	267,751	3,549,344	5,993,001	1,790,164	6,287,339	17,887,599	368,765
Cash and cash equivalents, end of year	\$ 248,299	\$ 12,328,950	\$ 5,213,285	\$ 591,485	\$ 5,470,014	\$ 23,852,033	\$ 249,856
As presented on the statement of net position:							
Cash and cash equivalents	\$ 248,299	\$ 12,328,950	\$ 5,213,285	\$ 591,485	\$ 5,271,697	\$ 23,653,716	\$ 249,856
Restricted cash and cash equivalents	-	-	-	-	198,317	198,317	-
Total Cash and Cash Equivalents	\$ 248,299	\$ 12,328,950	\$ 5,213,285	\$ 591,485	\$ 5,470,014	\$ 23,852,033	\$ 249,856
Reconciliation of operating income to net cash from operating activities							
Operating income (loss)	\$ (274,359)	\$ 2,223,309	\$ 739,038	\$ 174,102	\$ 289,717	\$ 3,151,807	\$ (304,998)
Adjustments to reconcile operating income (loss) to net cash from operating activities:							
Depreciation	-	941,404	604,242	27,687	711,958	2,285,291	801,175
Net pension adjustment	5,786	18,146	14,194	2,427	9,583	50,136	4,861
Changes in assets and liabilities:							
Accounts receivable	(1,462)	(153,866)	(58,989)	(50,139)	(21,657)	(286,113)	-
Prepays	-	(93,965)	-	-	-	(93,965)	-
Accounts payable	(11,124)	289,974	159,543	114,430	238,876	791,699	(123,434)
Accrued liabilities	(1,108)	1,927	8,111	475	6,755	16,160	1,084
Deposits and retainage	6,410	-	-	-	-	6,410	-
Accrued interest payable	-	255,788	-	-	-	255,788	-
Compensated absences	9,231	4,448	3,874	117	7,035	24,705	-
Net cash from operating activities	\$ (266,626)	\$ 3,487,165	\$ 1,470,013	\$ 269,099	\$ 1,242,267	\$ 6,201,918	\$ 378,688

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

CLEARFIELD CITY, UTAH
Notes to the Financial Statements
June 30, 2025

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 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, 2025

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, 2025

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, 2025

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, 2025

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, as required by applicable federal and state regulations. During 2024, 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 for 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, 2025, 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 as of June 30, 2025 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, 2025, 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, 2025

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:

Assets	Years
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, 2025

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, 2025

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, 2025

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, 2025

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Change in Accounting Principles

Effective for the fiscal year ended June 30, 2025, the City implemented GASB Statement No. 101, *Compensated Absences*. This standard requires recognition of a liability for compensated absences attributable to services already rendered, that accumulate and are more likely than not to be used for time off or otherwise paid in cash or settled through non-cash means.

No prior period adjustment was required as a result of implementing GASB Statement No. 101, as the City's previous accounting was substantially consistent with the new requirements. See note 7 for the changes in the compensated absences balances, as well as the ending balances.

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 the first scheduled meeting in May. Final adoption of the budget must be approved by either June 30 or August 31 (per State Code 10-5-109). 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, 2025

2. STEWARSHIP, 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, 2025, unrestricted general fund balance was 24.29% 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, 2025

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, 2025, 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	\$ 31,846,692	\$ 31,846,692	\$ -
Corporate bonds	22,573,898	3,090,117	19,483,781
Total Investments at Fair Value	<u><u>\$ 54,420,590</u></u>	<u><u>\$ 34,936,809</u></u>	<u><u>\$ 19,483,781</u></u>

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2025

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

As of June 30, 2025, the City had the following investments and quality ratings:

Investment Type	Fair Value	Quality Rating		
		A - AAA	B	Unrated
Utah Public Treasurer Investment Fund	\$ 31,846,692	\$ 12,950	\$ -	\$ 31,833,742
Corporate bonds	<u>22,573,898</u>	<u>22,573,898</u>	<u>-</u>	<u>-</u>
Total Investments at Fair Value	<u>\$ 54,420,590</u>	<u>\$ 22,586,848</u>	<u>\$ -</u>	<u>\$ 31,833,742</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, 2025, 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	\$ 31,846,692	\$ -	\$ 31,846,692	\$ -
Corporate bonds	<u>22,573,898</u>	<u>-</u>	<u>22,573,898</u>	<u>-</u>
Total Investments at Fair Value	<u>\$ 54,420,590</u>	<u>\$ -</u>	<u>\$ 54,420,590</u>	<u>\$ -</u>

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2025

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, 2025, the City had \$31,846,692 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, 2025 for the City's governmental and business-type funds, including the applicable allowances for uncollectible accounts, are as follows:

	Business-Type			Total
	General Fund	Utility Funds		
Receivables:				
Accounts, net	\$ 295,955	\$ 1,687,503	\$ 1,983,458	
Property taxes	3,766,702	-	3,766,702	
Sales taxes	1,433,194	-	1,433,194	
Franchise taxes	273,008	-	273,008	
Other taxes	2,900	-	2,900	
Gross receivables	<u>5,771,759</u>	<u>1,687,503</u>	<u>7,459,262</u>	
Less: allowance for doubtful accounts	-	-	-	
Total receivables, net	<u>\$ 5,771,759</u>	<u>\$ 1,687,503</u>	<u>\$ 7,459,262</u>	

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2025

5. CAPITAL ASSETS

Capital Assets

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

	07/01/24	Increases	Decreases	Transfers	06/30/25
Governmental activities					
Capital assets, not being depreciated:					
Land and rights of way	\$ 4,633,960	\$ -	\$ -	\$ -	\$ 4,633,960
Construction in progress	30,110,684	9,582,081	-	(5,662,697)	34,030,068
Water rights and shares	25,200	-	-	-	25,200
Total capital assets, not being depreciated	<u>34,769,844</u>	<u>9,582,081</u>	<u>-</u>	<u>(5,662,697)</u>	<u>38,689,228</u>
Capital assets, being depreciated:					
Buildings	27,588,905	-	-	1,552,983	29,141,888
Building improvements	11,452,641	706,227	-	598,560	12,757,428
Equipment and vehicles	11,674,950	1,111,612	(751,476)	-	12,035,086
Infrastructure	37,523,135	571,841	-	3,511,154	41,606,130
Total capital assets, being depreciated	<u>88,239,631</u>	<u>2,389,680</u>	<u>(751,476)</u>	<u>5,662,697</u>	<u>95,540,532</u>
Accumulated depreciation:					
Buildings	(14,064,956)	(668,618)	-	-	(14,733,574)
Building improvements	(3,189,732)	(600,554)	-	-	(3,790,286)
Equipment and vehicles	(7,913,825)	(994,511)	587,948	-	(8,320,388)
Infrastructure	(26,421,626)	(341,364)	-	-	(26,762,990)
Total accumulated depreciation	<u>(51,590,139)</u>	<u>(2,605,047)</u>	<u>587,948</u>	<u>-</u>	<u>(53,607,238)</u>
Total capital assets being depreciated, net	<u>36,649,492</u>	<u>(215,367)</u>	<u>(163,528)</u>	<u>5,662,697</u>	<u>41,933,294</u>
Governmental capital assets, net	<u>\$ 71,419,336</u>	<u>\$ 9,366,714</u>	<u>\$ (163,528)</u>	<u>\$ -</u>	<u>\$ 80,622,522</u>

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2025

5. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended June 30, 2025, for business-type activities was as follows:

<u>Business-type activities</u>	07/01/24	Increases	Decreases	Transfers	06/30/25
Capital assets, not being depreciated:					
Land and rights of ways	\$ 1,404,577	\$ -	\$ -	\$ -	\$ 1,404,577
Construction in progress	1,704,145	10,380,152	-	(10,992,035)	1,092,262
Water rights and shares	9,162	-	-	-	9,162
 Total capital assets, not being depreciated	 3,117,884	 10,380,152	 -	 (10,992,035)	 2,506,001
Capital assets, being depreciated:					
Buildings	7,649,653	-	-	6,503,747	14,153,400
Building improvements	885,793	-	-	-	885,793
Equipment and vehicles	1,567,146	-	-	-	1,567,146
Infrastructure	80,609,399	-	-	4,488,288	85,097,687
 Total capital assets, depreciated	 90,711,991	 -	 -	 10,992,035	 101,704,026
Accumulated depreciation:					
Buildings	(3,067,272)	(115,129)	-	-	(3,182,401)
Building improvements	(379,764)	(30,926)	-	-	(410,690)
Equipment and vehicles	(1,357,676)	(29,695)	-	-	(1,387,371)
Infrastructure	(49,802,824)	(2,109,541)	-	-	(51,912,365)
 Total accumulated depreciation	 (54,607,536)	 (2,285,291)	 -	 -	 (56,892,827)
Total capital assets being depreciated, net	36,104,455	(2,285,291)	-	10,992,035	44,811,199
 Business-type capital assets, net	 \$ 39,222,339	 \$ 8,094,861	 \$ -	 \$ -	 \$ 47,317,200

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

Governmental activities:	
General government	\$ 526,497
Public safety	234,502
Streets and public improvements	734,171
Culture and recreation	978,955
Community development	130,922
 Total depreciation expense - governmental activities	 \$ 2,605,047
 Business-type activities:	
Water utility	\$ 941,404
Sewer utility	604,242
Solid waste utility	27,687
Storm drain utility	711,958
 Total depreciation expense - business-type activities	 \$ 2,285,291

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2025

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2025, no interfund balances existed.

Transfers were made which will not be repaid. Such amounts for the fiscal year ended June 30, 2025 were as follows:

	Transfers in:						Total	
	Governmental funds		Enterprise funds					
	General Fund	Capital Projects Fund	Public Utility Admin Fund	Internal Service Fund	Sewer Fund	Water Fund		
Transfers out:								
Governmental funds:								
General fund	\$ -	\$ 2,226,217	\$ -	\$ 129,286	\$ -	\$ -	\$ 2,355,503	
CDRA fund	1,136,106	675,000	-	-	-	-	1,811,106	
Enterprise funds:								
Water fund	244,902	-	87,182	-	2,000,000	-	2,332,084	
Sewer fund	74,299	-	91,538	-	-	1,650,000	1,815,837	
Solid waste fund	-	-	11,702	-	-	-	11,702	
Storm drain fund	-	-	60,160	-	-	-	60,160	
	\$ 1,455,307	\$ 2,901,217	\$ 250,582	\$ 129,286	\$ 2,000,000	\$ 1,650,000	\$ 8,386,392	

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, 2025 are as follows:

	07/01/24	Increases, net	Decreases	Due in	
				06/30/25	One Year
Governmental activities					
Bonds payable:					
Revenue bonds	\$ 25,992,000	\$ -	\$ (909,000)	\$ 25,083,000	\$ 936,000
Compensated absences	728,157	101,883	-	830,040	747,035
Purchase agreement	1,112,532	-	(202,488)	910,044	208,637
Net pension liability - actuarially funded	1,606,282	-	-	1,606,282	-
Total governmental activities	\$ 29,438,971	\$ 101,883	\$ (1,111,488)	\$ 28,429,366	\$ 1,891,672
Business-type activities					
Utah state infrastructure loan	\$ -	\$ 9,500,000	\$ -	\$ 9,500,000	\$ 489,076
Compensated absences	(5,492)	91,586	-	86,094	77,485
Net pension liability - actuarially funded	239,236	119,618	-	358,854	-
Total business-type activities	\$ 233,744	\$ 9,711,204	\$ -	\$ 9,944,948	\$ 566,561

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2025

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.

Loan Payable

In 2025, the City entered into a loan agreement with UDOT under the State Infrastructure Bank Loan Fund to facilitate the construction of new and replacement related to sewer, water, roadway, sidewalk, or parking. The note was originally issued for \$9,500,000, at 3.59% for 15 years, beginning October 1, 2025.

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

	Original Borrowing	Interest Rates	Final Maturity	06/30/25
Governmental activities				
Bonds payable:				
Sales Tax Revenue Bonds, Series 2021	\$ 21,764,000	.40% - 3.20%	7/1/2044	\$ 21,531,000
Sales Tax Revenue Refunding Bonds, Series 2016	<u>9,592,000</u>	2.40%	7/1/2028	<u>3,552,000</u>
Total bonds payable	<u>31,356,000</u>			<u>25,083,000</u>
Purchase agreement:				
Equipment note 2016	2,423,270	1.98%	8/5/2029	910,044
Total governmental activities	<u>\$ 33,779,270</u>			<u>\$ 25,993,044</u>
Business-type activities				
Loan payable:				
State of Utah (UDOT) Infrastructure loan	\$ 9,500,000	3.59%	10/1/2039	\$ 9,500,000
Total business-type activities	<u>\$ 9,500,000</u>			<u>\$ 9,500,000</u>

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2025

7. LONG-TERM DEBT (CONTINUED)

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

Governmental activities

Year Ending June 30,	Bonds payable		Purchase agreement		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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	5,465,000	1,909,017	76,500	757	5,541,500	1,909,774
2031-2035	6,234,000	1,424,455	-	-	6,234,000	1,424,455
2036-2040	6,833,000	717,582	-	-	6,833,000	717,582
2041-2045	1,576,000	25,216	-	-	1,576,000	25,216
	\$ 25,083,000	\$ 5,960,130	\$ 910,044	\$ 43,259	\$ 25,993,044	\$ 6,003,389

Business-type activities

Year Ending June 30,	Loan agreement		
	Principal	Interest	Totals
2026	\$ 489,076	\$ 341,050	\$ 830,126
2027	506,634	323,492	830,126
2028	524,822	305,304	830,126
2029	543,664	286,463	830,127
2030	563,181	266,945	830,126
2031-2035	3,134,092	1,016,540	4,150,632
2036-2040	3,738,531	412,102	4,150,633
	\$ 9,500,000	\$ 2,951,896	\$ 12,451,896

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, 2025 there were no outstanding unpaid claims. Also, the City had no claim settlements during the three years ending June 30, 2025 which exceeded its insurance coverage.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2025

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, 2025

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 employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% 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, 2025

9. **URS PENSION (CONTINUED)**

Contribution rates as of June 30, 2025 are as follows:

	Tier 1 - DB System			Tier 2 - DB System			Tier 2 - 401(k) Option				
	Employee	Employer	Employer 401(k)	Fund	Employee	Employer	Fund	Employee	Employer	Employer 401(k)	
Noncontributory System											
System											
15 - Local Government											
Public Safety System											
Noncontributory											
43 - Other Div A 2.5% COLA											
	-	16.97%	-	111	0.70%	15.19%	-	211	-	5.19%	10.00%
	-	33.54%	-	122	4.73%	25.33%	-	222	-	11.33%	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, 2025, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 519,764	\$ -
Public Safety System	191,033	-
Tier 2 Public Employees System	394,390	18,183
Tier 2 Public Safety and Firefighter	535,496	99,996
Tier 2 DC Public Employees Plan	40,159	-
Tier 2 DC Public Safety and Firefighter Plan	39,729	-
 Total Contributions	 <u>\$ 1,720,571</u>	 <u>\$ 118,179</u>

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

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

As of June 30, 2025, the City reported a net pension asset of \$0 and a net pension liability of \$2,585,324.

	Measurement Date: December 31, 2024				
	Net Pension Liability	Net Pension Asset	Proportionate Share	Proportionate Share December 31, 2023	Change (Decrease)/Increase
Noncontributory System	\$ 1,072,834	\$ -	0.3383143%	0.3420373%	-0.0037230%
Public Safety System	1,071,145	-	0.6922665%	0.6938486%	-0.0015821%
Tier 2 Public Employees System	248,754	-	0.0834078%	0.0911146%	-0.0077068%
Tier 2 Public Safety and Firefighter	192,591	-	0.4258150%	0.4225244%	0.0032906%
 Total Net Pension Asset / Liability	 <u>\$ 2,585,324</u>	 <u>\$ -</u>			

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

For the year ended June 30, 2025, the City recognized pension expense of \$2,186,810.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2025

9. URS PENSION (CONTINUED)

As of June 30, 2025, 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	\$ 976,579	\$ 11,833
Changes in assumptions	279,833	3,050
Net difference between projected and actual earnings on pension plan investments	536,921	-
Changes in proportion and differences between contributions and proportionate share of contributions	60,982	13,125
Contributions subsequent to the measurement date	<u>860,795</u>	-
 Total	 <u>\$ 2,715,110</u>	 <u>\$ 28,008</u>

\$860,795 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, 2024.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2025	\$ 786,090
2026	931,922
2027	(174,363)
2028	3,466
2029	97,019
Thereafter	182,174

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2025

9. URS PENSION (CONTINUED)

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

For the year ended June 30, 2025, the City recognized pension expense of \$990,999.

As of June 30, 2025, 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	\$ 639,254	\$ -
Changes in assumptions	88,743	-
Net difference between projected and actual earnings on pension plan investments	323,155	-
Changes in proportion and differences between contributions and proportionate share of contributions	514	3,694
Contributions subsequent to the measurement date	<u>262,229</u>	-
 Total	 <u>\$ 1,313,895</u>	 <u>\$ 3,694</u>

\$262,229 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, 2024.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2025	\$ 612,944
2026	590,098
2027	(131,126)
2028	(23,945)
2029	-
Thereafter	-

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

For the year ended June 30, 2025, the City recognized pension expense of \$645,294.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2025

9. URS PENSION (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 113,188	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	185,384	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	2,306
Contributions subsequent to the measurement date	<u>91,407</u>	-
 Total	 <u>\$ 389,979</u>	 <u>\$ 2,306</u>

\$91,407 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, 2024.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources	
2025	\$	122,076
2026		263,139
2027		(75,299)
2028		(13,650)
2029		-
Thereafter		-

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

For the year ended June 30, 2025, the City recognized pension expense of \$271,911

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2025

9. URS PENSION (CONTINUED)

As of June 30, 2025, 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	\$ 107,539	\$ 1,714
Changes in assumptions	83,081	26
Net difference between projected and actual earnings on pension plan investments	15,899	-
Changes in proportion and differences between contributions and proportionate share of contributions	39,514	3,658
Contributions subsequent to the measurement date	<u>213,663</u>	-
 Total	 <u>\$ 459,696</u>	 <u>\$ 5,398</u>

\$213,663 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, 2024.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources	
2025	\$ 28,903	
2026	44,493	
2027	19,219	
2028	23,487	
2029	55,440	
Thereafter	69,094	

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

For the year ended June 30, 2025, the City recognized pension expense of \$278,606.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2025

9. URS PENSION (CONTINUED)

As of June 30, 2025, 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	\$ 116,598	\$ 10,119
Changes in assumptions	108,009	3,024
Net difference between projected and actual earnings on pension plan investments	12,483	-
Changes in proportion and differences between contributions and proportionate share of contributions	20,954	3,467
Contributions subsequent to the measurement date	<u>293,497</u>	-
 Total	 <u>\$ 551,541</u>	 <u>\$ 16,610</u>

\$293,497 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, 2024.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2025	\$ 22,167
2026	34,192
2027	12,843
2028	17,574
2029	41,579
Thereafter	113,080

Actuarial Assumptions

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

Inflation	2.50 percent
Salary increases	3.5 - 9.5 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2025

9. URS PENSION (CONTINUED)

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, 2024, valuation were based on the results of an actuarial experience study for the period ending December 31, 2023.

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.

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%	7.01%	2.45%
Debt securities	20.00%	2.54%	0.51%
Real assets	18.00%	5.45%	0.98%
Private equity	12.00%	10.05%	1.21%
Absolute return	15.00%	4.36%	0.65%
Cash and cash equivalents	0.00%	0.49%	0.00%
Totals	100.00%		5.80%
		Inflation	2.50%
		Expected arithmetic nominal return	8.30%

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.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2025

9. URS PENSION (CONTINUED)

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	\$ 4,537,207	\$ 1,072,834	\$ (1,832,654)
Public Safety System	3,290,712	1,071,145	(739,987)
Tier 2 Public Employees System	742,969	248,754	(135,696)
Tier 2 Public Safety and Firefighter	656,718	192,592	(178,485)
Total	\$ 9,227,606	\$ 2,585,325	\$ (2,886,822)

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

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2025

9. URS PENSION (CONTINUED)

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

401(k) Plan	2025	2024	2023
Employer Contributions	\$ 230,659	\$ 247,069	\$ 195,985
Employee Contributions	272,988	270,561	214,550
457 Plan	2025	2024	2023
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	9,309	9,209	7,151
Roth IRA Plan	2025	2024	2023
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 54,987	\$ 50,408	\$ 47,968
Traditional IRA	2025	2024	2023
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 1,350	\$ 1,050	\$ 150

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 2025 revenues from franchise tax were \$3,214,222. 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.

CLEARFIELD CITY, UTAH
Notes to the Financial Statements (Continued)
June 30, 2025

11. TAX ABATEMENTS

As of June 30, 2025, neither the City nor the CRDA has any tax abatement agreements outstanding, which would reduce its legal claim on the associated tax revenue.

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, 2025, 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 December 22, 2025, 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 (December 31,)

	Noncontributory Retirement System	Public Safety System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighters Retirement
2024				
Proportion of the net pension liability (asset)	0.3383143%	0.6922665%	0.0834078%	0.4258150%
Proportionate share of the net pension liability (asset)	\$ 1,072,834	\$ 1,071,145	\$ 248,754	\$ 192,591
Covered payroll	\$ 3,002,463	\$ 638,302	\$ 2,470,249	\$ 1,943,721
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	35.73%	167.81%	10.07%	9.91%
Plan fiduciary net position as a percentage of its covered payroll	96.02%	93.30%	87.44%	90.10%
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	96.90%	93.44%	89.58%	89.10%
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	96.90%	93.44%	89.58%	89.10%
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	96.90%	93.44%	89.58%	89.10%
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	96.90%	93.44%	89.58%	89.10%
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	96.90%	93.44%	89.58%	89.10%
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	96.90%	93.44%	89.58%	89.10%
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	96.90%	93.44%	89.58%	89.10%
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 Retirement System	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%
	2025	519,764	519,764	-	3,107,370	16.73%
Contributory System	2016	7,822	7,822	-	54,094	14.46%
	2017	3,728	3,728	-	25,785	14.46%
Public Safety Retirement System	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%
	2025	191,033	191,033	-	569,568	33.54%
Tier 2 Public Employees System*	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	-	2,404,001	15.98%
	2025	394,390	394,390	-	2,602,672	15.15%
Tier 2 Public Safety and Firefighter System*	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%
	2025	535,496	535,496	-	2,114,076	25.33%
Tier 2 DC Public Employees System*	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%
	2025	40,159	40,159	-	773,783	5.19%
Tier 2 DC Public Safety and Firefighters	2016	10,249	10,249	-	86,639	11.83%
System*	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%
	2025	39,730	39,730	-	350,663	11.33%

Note:

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

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, 2025

1. ACTUARILY DETERMINED PENSION CONTRIBUTIONS

Changes in Assumptions

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

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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 7,233,658	\$ 7,233,658
Investment earnings	80,000	80,000	502,494	422,494
Miscellaneous	8,013,000	8,013,000	-	(8,013,000)
Total revenues	<u>8,093,000</u>	<u>8,093,000</u>	<u>7,736,152</u>	<u>(356,848)</u>
EXPENDITURES				
Current:				
General government	-	-	19,396	(19,396)
Streets and public improvements	-	-	224,243	(224,243)
Capital outlay:				
Streets and public improvements	20,241,588	21,466,769	10,086,532	11,380,237
Total expenditures	<u>20,241,588</u>	<u>21,466,769</u>	<u>10,330,171</u>	<u>11,136,598</u>
Excess (deficiency) of revenues over expenditures	<u>(12,148,588)</u>	<u>(13,373,769)</u>	<u>(2,594,019)</u>	<u>10,779,750</u>
OTHER FINANCING SOURCES				
Transfers in	4,519,845	4,519,845	2,901,217	(1,618,628)
Total other financing sources	<u>4,519,845</u>	<u>4,519,845</u>	<u>2,901,217</u>	<u>(1,618,628)</u>
Net change in fund balance	<u>\$ (7,628,743)</u>	<u>\$ (8,853,924)</u>	<u>307,198</u>	<u>\$ 9,161,122</u>
Fund balance, beginning of year			<u>\$ 8,645,851</u>	
Fund balance, end of year			<u>\$ 8,953,049</u>	

CLEARFIELD CITY, UTAH
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2025

	Capital Projects	Permanent Fund		Total Nonmajor Funds
		Cemetery	Perpetual	
		Parks	Care	
ASSETS				
Cash and cash equivalents		\$ 81,005		\$ 81,005
Restricted cash and cash equivalents		290,941		4,059,883
Total assets	<u>\$ 3,768,942</u>	<u>\$ 371,946</u>		<u>\$ 4,140,888</u>
LIABILITIES				
Due to other funds	\$ 400,913	\$ -		\$ 400,913
Total liabilities	<u>\$ 400,913</u>	<u>\$ -</u>		<u>\$ 400,913</u>
FUND BALANCES				
Restricted:				
Impact fees - parks and recreation	3,368,029		-	3,368,029
Cemetery care		-	371,946	371,946
Total fund balances	<u>3,368,029</u>	<u>371,946</u>		<u>3,739,975</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,768,942</u>	<u>\$ 371,946</u>		<u>\$ 4,140,888</u>

CLEARFIELD CITY, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Capital Projects	Permanent Fund		Total Nonmajor Funds
		Cemetery	Perpetual	
		Parks	Care	
REVENUES				
Charges for services	\$ -	\$ 18,150	\$ 18,150	
Investments earnings	150,420	13,464	163,884	
Special assessments - impact fees	77,208	-	77,208	
Total revenues	227,628	31,614	259,242	
Excess of revenues over expenditures	227,628	31,614	259,242	
Fund balances, beginning of year	3,140,401	340,332	3,480,733	
Fund balances, end of year	\$ 3,368,029	\$ 371,946	\$ 3,739,975	

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, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investments earnings	\$ 20,000	\$ 20,000	\$ 150,420	\$ 130,420
Special assessments - impact fees	80,000	80,000	77,208	(2,792)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>227,628</u>	<u>127,628</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>
Net change in fund balance	<u>\$ (522,000)</u>	<u>\$ (522,000)</u>	<u>227,628</u>	<u>\$ 749,628</u>
Fund balance, beginning of year			<u>3,140,401</u>	
Fund balance, end of year			<u>\$ 3,368,029</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, 2025

	<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	\$ 18,150	\$ 9,150
Investments earnings	1,200	1,200	13,464	12,264
Total revenues	<u>10,200</u>	<u>10,200</u>	<u>31,614</u>	<u>21,414</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Net change in fund balance	\$ 10,200	\$ 10,200	31,614	\$ 21,414
Fund balance, beginning of year			<u>340,332</u>	
Fund balance, end of year			<u>\$ 371,946</u>	

CLEARFIELD CITY, UTAH
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Internal Service Funds		
	Fleet	Risk	
	Management	Management	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 197,456	\$ 52,400	\$ 249,856
Noncurrent assets:			
Machinery, equipment, and vehicles	7,474,537	-	7,474,537
Less accumulated depreciation	(4,110,898)	-	(4,110,898)
Net capital assets	<u>3,363,639</u>	<u>-</u>	<u>3,363,639</u>
Total assets	<u>3,561,095</u>	<u>52,400</u>	<u>3,613,495</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	<u>23,961</u>	<u>-</u>	<u>23,961</u>
LIABILITIES			
Current liabilities:			
Accounts payable	125,057	-	125,057
Accrued liabilities	8,548	-	8,548
Total current liabilities	<u>133,605</u>	<u>-</u>	<u>133,605</u>
Noncurrent liabilities:			
Net pension liability	<u>17,854</u>	<u>-</u>	<u>17,854</u>
Total liabilities	<u>151,459</u>	<u>-</u>	<u>151,459</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	<u>123</u>	<u>-</u>	<u>123</u>
NET POSITION			
Net investment in capital assets	3,363,639	-	3,363,639
Unrestricted	69,835	52,400	122,235
Total net position	<u>\$ 3,433,474</u>	<u>\$ 52,400</u>	<u>\$ 3,485,874</u>

CLEARFIELD CITY, UTAH
Combining Statement of Revenues, Expenses, and Changes in
Net Position – Internal Service Funds
For the Year Ended June 30, 2025

	Internal Service Funds		
	Fleet	Risk	Total
	Management	Management	
OPERATING REVENUES			
Charges for services:			
Fleet management	\$ 1,082,243	\$ -	\$ 1,082,243
Risk management	-	430,486	430,486
Total operating revenues	<u>1,082,243</u>	<u>430,486</u>	<u>1,512,729</u>
OPERATING EXPENSES			
Personnel services	190,115	-	190,115
Materials and supplies	227,305	29,951	257,256
Contractual services	139,808	429,373	569,181
Depreciation	801,175	-	801,175
Total operating expenses	<u>1,358,403</u>	<u>459,324</u>	<u>1,817,727</u>
Operating income (loss)	<u>(276,160)</u>	<u>(28,838)</u>	<u>(304,998)</u>
NONOPERATING REVENUES (EXPENSES)			
Gain on disposal of capital assets	<u>293,953</u>	<u>-</u>	<u>293,953</u>
Income (loss) before transfers	17,793	(28,838)	(11,045)
Transfers in	<u>129,286</u>	<u>-</u>	<u>129,286</u>
Change in net position	147,079	(28,838)	118,241
Net position, beginning of year	<u>3,286,395</u>	<u>81,238</u>	<u>3,367,633</u>
Net position, ending of year	<u>\$ 3,433,474</u>	<u>\$ 52,400</u>	<u>\$ 3,485,874</u>

CLEARFIELD CITY, UTAH
Combining Statement of Cash Flows –
Internal Service Funds
For the Year Ended June 30, 2025

	Internal Service Funds		
	Fleet Management	Risk Management	Total
Cash flows from operating activities			
Receipts from customers and users	\$ 1,082,243	\$ 430,486	\$ 1,512,729
Payments to suppliers	(488,433)	(461,438)	(949,871)
Payments to employees	(184,170)	-	(184,170)
Net cash from operating activities	<u>409,640</u>	<u>(30,952)</u>	<u>378,688</u>
Cash flows from noncapital financing activities			
Transfers to/from other funds	129,286	-	129,286
Net cash from noncapital financing activities	<u>129,286</u>	<u>-</u>	<u>129,286</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	(1,084,363)	-	(1,084,363)
Proceeds from sale of assets	457,480	-	457,480
Net cash from capital and related financing activities	<u>(626,883)</u>	<u>-</u>	<u>(626,883)</u>
Net cash from investing activities			
Net change in cash and cash equivalents	(87,957)	(30,952)	(118,909)
Cash and cash equivalents, beginning of year	285,413	83,352	368,765
Cash and cash equivalents, end of year	<u>\$ 197,456</u>	<u>\$ 52,400</u>	<u>\$ 249,856</u>
Reconciliation of operating income to net cash from operating activities			
Operating loss	\$ (276,160)	\$ (28,838)	\$ (304,998)
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation	801,175	-	801,175
Net pension adjustment	4,861	-	4,861
Changes in assets and liabilities:			
Accounts payable	(121,320)	(2,114)	(123,434)
Accrued liabilities	1,084	-	1,084
Net cash from operating activities	<u>\$ 409,640</u>	<u>\$ (30,952)</u>	<u>\$ 378,688</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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 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	\$ 59,278,728
Restricted	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	26,162,121
Unrestricted	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	1,430,659
Total governmental activities net position	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	86,871,508
Business-type activities										
Net investment in capital assets	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	47,317,200
Restricted	595,525	884,189	727,144	834,031	834,081	485,908	-	-	-	-
Unrestricted	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	14,547,866
Total business-type activities net position	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	61,865,066
Primary government										
Net investment in capital assets	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	106,595,928
Restricted	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	26,162,121
Unrestricted	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	15,978,525
Total primary government net position	\$ 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	\$ 148,736,574

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	\$ 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	\$ 7,120,336
Public safety	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	8,343,646
Streets and public improvements	385,530	443,261	669,861	191,245	441,358	717,112	1,140,504	1,596,350	2,405,793	1,949,087
Culture and recreation	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	7,278,704
Community development	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	1,689,917
Interest	474,319	412,616	397,612	575,311	559,443	491,372	837,788	930,271	265,321	561,635
Total governmental activities	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	26,943,325
Business-type activities:										
Public utility administration	340,698	337,737	341,628	368,975	409,789	474,338	391,151	413,567	439,112	451,231
Water utility	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	4,626,515
Sewer utility	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	5,369,310
Solid waste utility	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	1,888,726
Storm drain utility	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	1,707,410
Total business-type activities	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	14,043,192
Total primary government	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	40,986,517

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program Revenues										
<i>Governmental activities</i>										
Charges for services:										
General government	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	2,300,691
Public safety	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	1,111,453
Streets and public improvements	145,018	437,006	53,484	324,225	216,880	1,466,331	407,289	313,715	549,389	307,692
Culture and recreation	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	2,357,187
Community development	412,356	674,382	380,508	613,164	777,287	1,587,511	1,405,362	1,137,323	1,614,449	1,282,908
Operating grants and contributions	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	3,433,256
Capital grants and contributions	182,451	48,727	-	272,266	61,705	-	8,342,816	7,842,366	3,783,144	9,609,749
Total governmental activities	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	20,402,936
<i>Business-type activities</i>										
Charges for services:										
Public utility administration	154,715	154,377	171,317	170,236	139,204	152,621	165,519	188,913	179,896	173,464
Water utility	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	6,544,547
Sewer utility	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	6,046,203
Solid waste utility	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	2,050,184
Storm drain utility	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	1,984,773
Impact fees	469,699	291,939	50,124	93,985	98,609	317,694	404,783	64,940	306,839	231,736
Capital grants and contributions	-	-	-	-	-	-	-	819,764	-	-
Total business-type activities	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	17,030,907
Total primary government	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	37,433,843
Net (expense)/revenue:										
Governmental activities	(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)	(6,540,389)
Business-type activities	272,104	135,366	317,153	(708,471)	(427,681)	37,609	226,412	364,061	722,044	2,987,715
Total net (expense)/revenue	(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)	(3,552,674)

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Taxes:										
Property	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	3,709,976
Sales	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	7,460,820
Energy use and Franchise	868,717	879,629	889,489	843,672	832,641	811,563	780,468	3,655,535	3,443,185	3,214,222
Other	218,841	230,445	260,690	268,430	309,265	364,745	380,110	399,831	438,690	447,493
Investment earnings	200,323	125,449	122,044	601,171	382,549	167,037	(90,380)	1,666,726	2,190,228	1,024,956
Gain on sale of capital assets	-	-	-	-	-	-	156,242	1,129,643	346,077	294,353
Miscellaneous	9,400	11,750	134,503	80,758	38,331	106,096	765,515	192,238	292,162	359,646
Transfers - net	754,433	594,644	603,896	609,555	604,031	246,145	1,388,089	(3,267,859)	301,127	319,201
Loss on sale of land held for sale	(414,549)	-	-	54,152	-	-	-	-	-	-
Contribution of capital asset	69,888	-	-	-	-	-	-	-	-	-
Total governmental activities	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	16,830,667
Business-type activities										
Investment earnings	151,438	142,763	226,833	276,897	249,391	67,088	63,793	321,831	867,643	1,098,893
Miscellaneous	6,631	6,537	3,836	151,865	132,103	341,045	19,059	14,375	46,589	27,068
Transfers	(754,433)	(594,644)	(603,896)	(609,555)	(604,031)	(246,145)	(1,388,089)	3,267,859	(408,674)	(319,201)
Contribution of capital asset	(69,888)	-	-	(382,294)	-	-	-	-	-	-
Total business-type activities	(666,252)	(445,344)	(373,227)	(563,087)	(222,537)	161,988	(1,305,237)	3,604,065	505,558	806,760
Total primary government	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	17,637,427
Change in Net Position:										
Governmental activities	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	10,290,278
Business-type activities	(394,148)	(309,978)	(56,074)	(1,271,558)	(650,218)	199,597	(1,078,825)	3,968,126	1,227,602	3,794,475
Total primary government	\$ 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	\$ 14,084,753

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund:										
Nonspendable	\$ 104,949	\$ 230,532	\$ 167,162	\$ 199,963	\$ 179,168	\$ 227,844	\$ 50,438	\$ 101,943	\$ 92,676	\$ 300,645
Restricted	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	1,098,902
Committed	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	186,940
Unassigned	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	5,557,543
Total general fund	\$ 17,257,228	\$ 8,219,597	\$ 11,126,057	\$ 11,306,048	\$ 10,813,969	\$ 15,586,336	\$ 37,711,540	\$ 11,359,154	\$ 8,539,952	\$ 7,144,030
All other governmental funds:										
Nonspendable	-	-	-	-	-	-	69,685	709,505	709,505	709,505
Restricted for:										
Debt service funds	30,528	83,843	187,864	237,480	237,490	67,274	-	-	-	-
Capital projects funds	415,496	829,386	863,193	912,786	1,066,562	2,491,253	12,913,485	27,746,746	23,028,151	24,691,273
Special revenue funds	246,473	246,473	246,473	69,685	69,685	69,685	-	-	-	-
Cemetery perpetual care	218,424	204,678	222,541	239,820	233,703	253,524	288,491	311,616	340,332	371,946
Public safety	-	-	-	-	-	-	-	-	-	-
Committed	1,081,689	1,538,000	504,072	267,072	911,292	2,942,397	-	-	-	-
Assigned to:										
Capital projects funds	875,594	972,985	826,052	1,761,321	2,076,271	645,809	21,117	-	-	-
Special revenue funds	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	\$ 7,260,730	\$ 8,997,451	\$ 7,445,665	\$ 8,916,767	\$ 10,864,085	\$ 12,960,494	\$ 13,292,778	\$ 28,767,867	\$ 24,077,988	\$ 25,772,724
General fund balance unrestricted										
% of total revenue for current year	41.04%	38.06%	41.39%	40.42%	45.52%	52.15%	55.15%	38.75%	29.75%	24.29%

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	\$ 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	\$ 14,832,511
Rents and other services	1,128,700	1,038,067	1,091,025	1,118,331	1,296,644	1,184,466	817,246	683,192	928,007	783,054
Intergovernmental	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	12,965,797
Charges for services	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	4,367,952
Impact fees	145,018	437,006	53,484	324,225	216,880	1,466,331	950,180	123,750	267,524	77,208
Fines and forfeitures	654,509	660,669	750,842	742,414	620,384	503,998	458,104	515,470	608,433	696,196
Investment earnings	133,989	148,683	145,263	629,891	411,269	210,340	(90,380)	1,666,726	2,190,228	1,024,956
Miscellaneous revenue	20,201	93,479	119,448	80,758	38,331	106,096	765,515	192,238	292,162	359,646
Total revenues	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	35,107,320
Expenditures										
Current:										
General government	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	6,425,884
Public safety	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	7,792,706
Streets and public improvements	322,279	483,448	435,129	524,274	414,811	491,885	565,339	968,451	1,646,069	1,205,116
Culture and recreation	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	5,668,304
Community development	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	1,358,046
Capital outlay	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	10,887,397
Debt service:										
Principal retirement	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	1,111,488
Interest and fiscal charges	633,120	555,269	377,716	600,881	584,767	507,972	497,965	597,180	573,785	549,880
Cost of issuance	116,206	-	45,500	-	-	-	100,000	-	-	-
Total expenditures	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	34,998,821
Excess (deficiency) revenues over expenditures	(1,401,343)	(986,718)	(6,526,295)	1,064,279	838,310	3,941,409	(850,843)	(8,502,079)	(8,018,937)	108,499

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other Financing Sources (Uses)										
Issuance of bonds payable	-	-	7,277,076	-	-	-	21,764,000	-	-	-
Issuance of refunding bonds	9,592,000	-	-	-	-	-	-	-	-	-
Payment to refunding bonds escrows	-	(9,340,000)	-	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-	-	-	-
Issuance of capital lease	-	2,423,270	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	13,623	7,894	-	54,893	12,900	2,681,223	156,242	892,641	208,729	400
Loss on sale of land held for sale	(414,549)	-	-	54,152	-	-	-	-	-	-
Land inventory contributed	-	-	-	(131,788)	-	-	-	-	-	-
Transfers in	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	4,356,524
Transfers (out)	(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)	(4,166,609)
Total other financing sources	9,624,625	(6,314,192)	7,880,970	586,812	616,931	2,927,367	23,308,331	(2,375,218)	509,856	190,315
Net change in fund balances	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)	298,814
Fund balances - beginning of year	16,294,676	24,517,958	17,217,047	18,571,722	20,222,813	21,678,054	28,546,830	51,004,318	40,127,021	32,617,940
Fund balances - end of year	\$ 24,517,958	\$ 17,217,048	\$ 18,571,722	\$ 20,222,813	\$ 21,678,054	\$ 28,546,830	\$ 51,004,318	\$ 40,127,021	\$ 32,617,940	\$ 32,916,754
Debt service as a percentage of noncapital expenditures	12.54%	13.54%	13.37%	14.16%	14.04%	10.59%	32.63%	7.82%	6.88%	6.89%

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			Taxable Value (in thousands)	Total Tax Rate	Estimated Actual Value (in thousands)	Ratio of Taxable to Estimated Actual Value
	Residential Property (in thousands)	Commercial Property (in thousands)	Personal Property (in thousands)				
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%
2024-25	\$ 1,880,809	\$ 1,006,344	\$ 417,314	\$ 3,304,467	0.12180%	\$ 4,835,964	68.33%

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

Fiscal Year	Overlapping Rates												
	Clearfield City				Davis County School				Davis County				Total Levy for Clearfield City
	Debt Rates	Service Rates	Total City Rates	Operating Rates	Debt Rates	Service Rates	Total County School Rates	Operating Rates	Debt Rates	Service Rates	Total County Rates	Total Special Districts	
2016	0.1235%	0.0565%	0.1800%	0.5554%	0.2571%	0.8125%	0.1703%	0.0076%	0.1779%	0.2852%	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%	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%	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%	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%	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%	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%	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%	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%	0.2524%	1.0859%	
2025	0.1218%	0.0000%	0.1218%	0.4691%	0.1615%	0.6306%	0.1140%	0.0000%	0.1140%	0.2495%	0.2495%	1.1159%	

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	2025			2016		
	Taxable Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Value	Rank	Percentage of Total Taxable Assessed Value
Freeport Center Associates	\$ 342,403,816	1	10.0%	\$ 189,443,140	1	12.7%
UNITED STATES OF AMERICA	112,253,698	2	3.3%			
Lifetime Products	108,140,947	3	3.2%	40,378,662	3	2.7%
NORTHROP GRUMMAN SYSTEMS CORP	105,311,418	4	3.1%	113,681,186	2	7.6%
Clearfield Station Apartments LLC	63,770,487	5	1.9%			
K & M Two LLC	43,569,655	6	1.3%	16,649,474	9	1.1%
1051 Clearfield Holdings LLC	43,168,607	7	1.3%			
WCL Legend Hills	39,078,235	8	1.2%			
HRA Mountain View Owner LLC	37,169,001	9	1.1%			
Union Pacific Railroad Co.	36,095,614	10	1.1%	22,035,931	6	1.5%
Worthington Foods, Inc.				29,776,724	4	2.0%
Pacific Corp				27,125,509	5	1.8%
Belleuu, Wayne				18,689,260	7	1.3%
Utility Trailer Manufacturing Co				17,853,999	8	1.2%
Morkill Stonegate Mountain View				14,065,099	10	0.9%
	<u>\$ 930,961,478</u>			<u>\$ 489,698,984</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		Percent of Levy	Collections in Subsequent Years	Total Collections To Date	
		Amount				Amount	Percent of Levy
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%
2025	\$ 4,102,146	\$ 3,835,990		93.51%	\$ 132,764	\$ 3,623,554	88.33%

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		Revenue Bonds	Purchase Agreements	Revenue Bonds	Purchase Agreements							
	Obligation Bonds	Revenue Bonds											
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%	848.70					
2023	\$ -	\$ 26,879,000	\$ 1,309,010	\$ -	\$ -	\$ 28,188,010	0.13%	801.89					
2024	\$ -	\$ 25,992,000	\$ 1,112,532	\$ -	\$ -	\$ 27,104,532	N/A	786.32					
2025	\$ -	\$ 24,879,477	\$ 910,044	\$ -	\$ 9,500,000	\$ 35,289,521	N/A	1003.91					

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		Debt		Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
		Value of Property (in thousands)	Gross Obligation Bonds	Service Monies Available	Net Bonded Debt		
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%	-
2025	35,152	\$ 3,304,467	\$ -	\$ -	\$ -	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, 2025

Name of Governmental Unit	2024 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	\$ 575,310,706,677	\$ 3,409,734,958	0.59%	\$ 1,469,510,000	\$ 8,709,450
Davis County School District	\$ 44,202,926,550	\$ 3,409,734,958	7.71%	\$ 516,830	\$ 39,867
Davis County	\$ 44,222,082,473	\$ 3,409,734,958	7.71%	\$ -	\$ -
Weber Basin Water Conservancy District	\$ 131,162,427,413	\$ 3,409,734,958	2.60%	\$ 8,560,000	\$ 222,528
North Davis County Sewer District	\$ 26,090,513,389	\$ 3,409,734,958	13.07%	\$ 5,180,000	<u>\$ 676,967</u>
Total overlapping debt					
Clearfield City - direct	\$ 3,409,734,958	\$ 3,409,734,958	100.00%	\$ -	\$ -
Total direct and overlapping					
<u>\$ 9,648,812</u>					

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	\$ 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	\$ 135,816,954
Total net debt applicable to limit	\$ 4,455,000	\$ 3,495,000	\$ 2,520,000	\$ 1,510,000	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	\$ 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	\$ 135,816,954
Total net debt applicable to the limit as a percentage of debt limit	7.47%	5.58%	3.82%	2.05%	0.61%	0.00%	0.00%	0.00%	0.00%	0.00%
Legal Debt Margin Calculation for Fiscal Year 2025										
										Total Assessed Actual Value <u>\$ 3,395,423,842</u>
										Debt limit - 4% of total actual value \$ 135,816,954
										Total amount of debt applicable to debt limit <u>-</u>
										Legal debt margin \$ <u>135,816,954</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		Operating		Expenses		Net Revenue			Coverage	
	Revenue	Transfers	Net of Interest	Service	Available For Debt		Principal	Interest	Total		
					For Debt	Service					
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			
2025	\$ 6,722,079	\$ (359,186)	\$ 3,401,554	\$ 2,961,339	\$ -	\$ -	\$ -	0.00			

Sales Tax Revenue Bonds

Fiscal Year	Sales Tax Revenue	Principal			Interest	Total	Coverage
No Sales Tax Revenue Bonds were issued during these fiscal years							
2016	\$ 6,538,020	\$ 61,000	\$ 169,651	\$ 230,651	28.35		
2017	\$ 7,034,374	\$ 544,000	\$ 221,753	\$ 765,753	9.19		
2018	\$ 7,486,080	\$ 723,000	\$ 472,397	\$ 1,195,397	6.26		
2019	\$ 7,761,852	\$ 738,000	\$ 504,907	\$ 1,242,907	6.24		
2020	\$ 8,420,461	\$ 1,186,000	\$ 486,992	\$ 1,672,992	5.03		
2021	\$ 9,307,104	\$ 1,224,000	\$ 636,443	\$ 1,860,443	5.00		
2022	\$ 10,229,180	\$ 1,151,000	\$ 1,040,636	\$ 2,191,636	4.67		
2023	\$ 10,466,634	\$ 1,172,000	\$ 992,347	\$ 2,164,347	4.84		
2024	\$ 10,447,059	\$ 1,210,000	\$ 957,635	\$ 2,167,635	4.82		

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 (%)
		Expressed	Per Capita				
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	n/a		n/a	28.10	5,588	2.50%
2025	35,152	n/a		n/a	28.10	5,577	3.00%

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	2025			2016		
	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%
Northrop Grumman Corp.	2000-2999	2	0.06%	250	10	0.02%
Lifetime Products	1000-1999	3	0.06%	1,600	2	0.06%
AAA Member Service Center	500-999	4	0.03%	750	5	0.03%
Utility Trailer Man	500-999	5	0.03%	1,050	3	0.05%
Bonnell Aluminum	250-499	6	0.01%			
Management & Training Corp	250-499	7	0.01%			
Americold Logistics	100-249	8	0.01%			
Clearfield High School	100-249	9	0.01%			
ES3	100-249	10	0.01%			
Vista Outdoor/Alliant				800	4	0.04%
ATK Space Systems Inc.				699	6	0.03%
Clearfield Job Corp				400	7	0.01%
Pioneer Adult Rehabilitation Center				350	8	0.01%
Futura Industries				325	9	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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
Judicial	4	4	4	4	4	4	4	4	4	4
Legal	3	3	3	3	4	4	4	4	4	4
Executive	5	5	5	5	5	5	6	6	6	6
Finance	3	4	4	4	4	5	5	6	6	6
Customer service center	n/a	5	6	6	6	5	5	5	5	5
Buildings & plants	2	2	2	2	2	3	3	3	3	4
Planning & zoning	1	1	1	1	1	1	2	2	2	1
Human resources	2	2	2	2	2	2	2	2	2	2
Information technology	1	2	2	2	2	2	2	3	3	3
Public safety										
Police administration	7	5	5	5	5	7	7	7	8	8
Patrol & investigations	22	24	27	27	28	28	28	30	32	32
Liquor	1	1	0	0	0	0	0	0	0	0
Dispatch/emergency services	8	8	8	8	8	8	8	8	1	1
Public works										
Public works administration	2	2	3	3	3	5	6	6	6	6
Shops	2	2	2	2	2	2	2	2	2	2
Roadways	3	2	2	2	2	2	2	2	2	2
Community services										
Administration	3	2	2	2	2	2	2	3	3	3
Parks	6	6	6	6	6	6	6	6	6	6
Recreation	4	3	3	3	4	4	4	4	4	4
Aquatic Center	7	7	5	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	0	0	0	0	0	0	0	0
Inspections	1	1	1	1	1	1	2	2	2	2
Permitting	1	0	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	1	0	0	0	0	0	0	0	0
Water	4	4	4	4	5	5	5	5	7	7
Sewer	3	4	4	4	4	4	5	5	5	6
Storm sewer	1	1	1	1	1	1	1	1	1	1
Total employees	103	105	105	105	109	114	119	124	122	123

Source: Clearfield City Human Resource Department

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

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Incidents	15,125	13,704	14,279	13,372	13,448	13,190	13,067	14,244	15,429	19,437
Parking violations	69	5	449	480	320	183	15	71	74	162
Traffic violations	6,376	7,035	8,296	7,120	4,856	3,332	3,999	5,449	4,342	5,658
Highways and streets										
Street resurfacing	-	17	3	2	-	-	38	-	1	6
Recreation										
Units of service	163,491	***	***	***	***	***	***	***	***	***
Aquatic center admissions	124,872	119,367	118,262	106,335	140,921	83,571	89,901	103,066	155,186	168,650
Public works										
Building permits issued	363	504	450	559	717	826	856	651	700	762
Water										
New connections	63	58	15	5	55	81	163	61	111	46
Water main breaks	38	25	30	10	41	45	n/a	16	17	n/a
Utility customers	6,558	6,821	6,891	6,887	6,893	6,941	7,068	7,088	7,209	7,311
Average daily consumption										
Commercial	1,282,910	1,187,043	1,348,386	1,147,712	1,185,600	1,052,082	964,462	752,639	742,329	1,052,205
Residential	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	3,071,463

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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	106.40	106.40	106.40	110.60	110.60	111.28
Streetlights	1,183	1,188	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330
Recreation										
Parks acreage	90.400	90.900	90.900	90.900	90.900	90.400	90.400	90.400	93.985	97.470
Parks	14	14	14	14	14	14	14	14	16	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	1	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	9	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	115.90	116.00	117.20	117.10	117.10	117.10	121.50	121.36	120.95
Fire hydrants	1,312	1,321	1,321	1,338	1,412	1,414	1,414	1,515	1,519	1,531
Sewer										
Sanitary sewers (miles)	84.20	86.40	86.40	86.40	86.80	86.20	86.20	89.90	90.41	90.35
Storm sewers (miles)	72.90	73.30	73.70	73.70	76.20	77.10	77.10	81.80	81.92	82.27

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

GOVERNMENT COMPLIANCE SECTION



COMMITTED. EXPERIENCED. TRUSTED.

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
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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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 22, 2025.

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

December 22, 2025
Bountiful, Utah



COMMITTED. EXPERIENCED. TRUSTED.

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

Honorable Mayor and Members of the City Council
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, 2025.

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

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

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, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the State Compliance Audit Guide (Guide). 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

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

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

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

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

December 22, 2025
Bountiful, Utah

CLEARFIELD CITY, UTAH
Schedule of Findings and Responses
For the Year Ended June 30, 2025

Current Year State Compliance Audit Guide Finding

No reportable matters noted.

Prior Year State Compliance Audit Guide Finding

No reportable matters noted.