

**CLINTON CITY
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS
YEAR ENDED JUNE 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council of
Clinton City

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clinton City, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Clinton City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major funds, and the aggregate remaining fund information of Clinton City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof 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 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 Clinton City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clinton 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 generally accepted auditing standards and Government Auditing Standards 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 generally accepted auditing standards and Government Auditing Standards, 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 Clinton 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 Clinton City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, schedule of the proportionate share of the net pension liability, the schedule of contributions, and the notes to required supplementary information on pages 3-7 and 48-53 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 Clinton City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 8, 2023 on our consideration of the Clinton 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 Clinton City's 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 Clinton City's internal control over financial reporting and compliance.

Child Richards CPAs & Advisors

Ogden, Utah
December 8, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CLINTON CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDING JUNE 30, 2023**

INTRODUCTION

The following is a discussion and analysis of Clinton City's financial performance and activities for the fiscal year ending June 30, 2023.

HIGHLIGHTS

Net position of the city increased by \$4,456,356. Of this amount, business-type activities increased by \$1,247,757 and governmental activities increased by \$3,208,599.

The assets of Clinton City exceeded its liabilities and deferred inflows of resources at the end of the current fiscal year by \$117,327,592 (net position). Of this amount, \$14,664,900 (unrestricted net position) is available to meet ongoing obligations to citizens and creditors.

The City's governmental funds reported a combined ending fund balance of \$11,933,899, a decrease of \$1,146,185 compared to the prior year's ending amount. Of the combined total fund balance, \$3,989,633 is available for spending at the discretion of the City (unrestricted and unassigned fund balance).

The unrestricted and unassigned fund balance of the General Fund at June 30, 2023, totaling \$3,989,633 is 28.82% of the General Fund total revenues for the year. The General Fund has \$258,456 of fund balance restricted for specific purposes that will be carried over into the following fiscal year and \$111,932 of nonspendable fund balance which represents resources that have already been allocated to expenses for future periods.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the City's Basic Financial Statements. The Basic Financial Statements includes three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities. These two statements provide a broad overview of the City's finances. The Statement of Net Position shows the overall net position of the City. Increases and decreases in net position are one indicator of the City's overall financial condition. The Statement of Activities helps to identify functions of the City that are principally supported by taxes and other general revenues (governmental activities) along with other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). Clinton City's business type activities are sewer, water, solid waste and storm water.

The fund financial statements provide detailed information about individual major funds and not the City as a whole. A fund is a group of related accounts that the City uses to keep track of specific resources that are segregated for a specific purpose. Some funds are required by law to exist, while others are established internally to maintain control over a particular activity. All of the City's funds are divided into two types. The two types are Governmental Funds and Proprietary Funds.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and

**CLINTON CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDING JUNE 30, 2023**

changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Clinton City maintains thirteen individual governmental funds. 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, Capital Improvements Fund, and 1300 N Road Improvement Fund which are considered to be major funds. Data from the other ten 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* elsewhere in this report.

Clinton City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Clinton City has five Proprietary Funds: the water fund, the sewer fund, the solid waste fund, the storm water fund, and the sewer special service fund. The Enterprise Funds may be used to report any activity for which a fee is charged to external users for goods or services. The Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. An Internal Service Fund is presented in a separate column in the Proprietary Fund financial statements.

There are several differences between Government-Wide and Fund Statements. Capital assets and long-term debt are included on the government-wide statements, but are not reported on the governmental fund statements. Capital outlays result in capital assets on the government-wide statements, but are expenditures on the governmental fund statements.

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CLINTON CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDING JUNE 30, 2023

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Governmental Activities		Business-type Activities		Total	
	June 30	June 30	June 30	June 30	June 30	June 30
	2023	2022	2023	2022	2023	2022
Cash	\$ 10,399,835	\$ 13,296,864	\$ 8,691,400	\$ 6,011,973	\$ 19,091,235	\$ 19,308,837
Other assets	6,174,350	7,051,978	609,906	784,245	6,784,256	7,836,223
Capital assets	68,548,780	64,568,348	31,150,482	30,270,080	99,699,262	94,838,428
Deferred outflows of resources	1,193,505	850,216	132,069	93,416	1,325,574	943,632
Total assets and deferred outflows	<u>86,316,470</u>	<u>85,767,406</u>	<u>40,583,857</u>	<u>37,159,714</u>	<u>126,900,327</u>	<u>122,927,120</u>
Noncurrent liabilities	1,383,468	424,515	206,244	69,672	1,589,712	494,187
Other liabilities	<u>1,222,783</u>	<u>1,314,179</u>	<u>1,173,823</u>	<u>1,191,272</u>	<u>2,396,606</u>	<u>2,505,451</u>
Total liabilities	<u>2,606,251</u>	<u>1,738,694</u>	<u>1,380,067</u>	<u>1,260,944</u>	<u>3,986,318</u>	<u>2,999,638</u>
Deferred inflows of resources	<u>3,242,530</u>	<u>6,769,622</u>	<u>2,343,887</u>	<u>309,509</u>	<u>5,586,417</u>	<u>7,079,131</u>
Total liabilities and deferred inflows	<u>5,848,781</u>	<u>8,508,316</u>	<u>3,723,954</u>	<u>1,570,453</u>	<u>9,572,735</u>	<u>10,078,769</u>
Net position:						
Net investment in capital assets	68,548,780	64,568,348	31,150,482	30,270,080	99,699,262	94,838,428
Restricted	1,774,587	2,002,606	1,188,843	1,386,355	2,963,430	3,388,961
Unrestricted	<u>10,144,322</u>	<u>10,688,136</u>	<u>4,520,578</u>	<u>3,932,826</u>	<u>14,664,900</u>	<u>14,620,962</u>
Total net position	<u>\$ 80,467,689</u>	<u>\$ 77,259,090</u>	<u>\$ 36,859,903</u>	<u>\$ 35,589,261</u>	<u>\$ 117,327,592</u>	<u>\$ 112,848,351</u>

The largest component of the City's net position, 84.98%, reflects investments in capital assets (land, buildings, equipment, and infrastructure) less all outstanding debt that was issued to buy or build those assets. As capital assets, these resources are not available for future spending, nor can they all be readily liquidated to pay off the related liabilities.

Restricted net position comprises 2.52% of the total net position and is subject to external restrictions on how they may be used. The remaining 12.5% of net position is unrestricted and may be used at the City's discretion to meet its ongoing obligations to citizens and creditors.

CLINTON CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDING JUNE 30, 2023

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	June 30	June 30	June 30	June 30	June 30	June 30
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 2,404,250	\$ 2,640,157	\$ 7,157,947	\$ 6,866,410	\$ 9,562,197	\$ 9,506,567
Operating grants and contributions	1,499,690	1,468,071	-	-	1,499,690	1,468,071
Capital grants and contributions	3,785,084	5,136,170	-	-	3,785,084	5,136,170
General revenues:						
Property taxes	2,890,812	2,842,108	-	-	2,890,812	2,842,108
Sales taxes	5,335,139	5,125,578	-	-	5,335,139	5,125,578
Other taxes	1,388,654	1,238,540	-	-	1,388,654	1,238,540
Impact fees	-	-	752,496	1,718,234	752,496	1,718,234
Lease and other financing	3,738	3,738	-	-	3,738	3,738
Interest	436,809	69,130	243,864	19,650	680,673	88,780
Other	51,293	35,034	-	-	51,293	35,034
Total revenues	17,795,469	18,558,526	8,154,307	8,604,294	25,949,776	27,162,820
Expenses:						
General government	3,191,999	3,009,070	-	-	3,191,999	3,009,070
Public safety	6,113,494	4,926,654	-	-	6,113,494	4,926,654
Highways and public improvements	2,900,428	2,894,872	-	-	2,900,428	2,894,872
Parks and recreation	1,843,588	1,583,262	-	-	1,843,588	1,583,262
Cemeteries	84,632	85,115	-	-	84,632	85,115
Interest on debt	-	-	-	-	-	-
Sewer special service	-	-	136,643	113,199	136,643	113,199
Solid waste	-	-	1,962,506	1,821,379	1,962,506	1,821,379
Storm water	-	-	762,755	569,325	762,755	569,325
Water	-	-	2,082,911	1,926,889	2,082,911	1,926,889
Sewer	-	-	2,414,464	2,456,740	2,414,464	2,456,740
Total expenses	14,134,141	12,498,973	7,359,279	6,887,532	21,493,420	19,386,505
Transfers in (out)	(452,729)	(64,945)	452,729	64,945	-	-
Change in net position	3,208,599	5,994,608	1,247,757	1,781,707	4,456,356	7,776,315
Net position-beginning, as restated	77,259,090	71,264,482	35,612,146	33,807,554	112,871,236	105,072,036
Net position-ending	\$ 80,467,689	\$ 77,259,090	\$ 36,859,903	\$ 35,589,261	\$ 117,327,592	\$ 112,848,351

**CLINTON CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDING JUNE 30, 2023**

Governmental Activities

The activities in the governmental funds resulted in an increase in net position of \$3,208,599 for the year.

Business-Type Activities

The business-type activities increased net position by \$1,247,757. The Enterprise Funds are generating sufficient operating revenue to cover operating costs with a surplus with the exception of the Sewer Fund, Solid Waste Fund, and Storm Water Fund, which had operating losses of \$82,042, \$108,121, and \$240,932, respectively.

Capital Assets

Clinton City added \$7,054,190 in new capital assets in governmental activities during the fiscal year including contributed capital from developers in the amount of \$1,407,877. The following assets were acquired or constructed: machinery and equipment \$186,947; \$2,686,213 in work in process; \$438,300 in infrastructure; \$2,786,528 in improvements; \$467,079 in buildings and internal service equipment and vehicles in the amount of \$489,123. The internal service equipment and vehicles were acquired in the motor pool fund.

Fund Balances

The fund balance in the General Fund increased by \$201,027. The fund balances in the other Governmental Funds decreased by \$1,347,212. The Net Position in the Enterprise Funds increased by \$1,229,612.

Long-Term Debt

During the 2017 fiscal year the City paid off the Sales Tax Revenue bonds in the amount of \$575,000. This leaves the City with no long-term debt other than compensated absences.

General Fund Budgets

Clinton City prepares its budget according to state statutes. The General Fund Budget was adjusted during the year.

Actual General Fund revenues were \$652,308 below the original budget and \$666,373 below the final adjusted budget. Actual General Fund expenditures before transfers were \$1,198,950 below the original budget and \$1,832,824 below the final adjusted budget.

ADDITIONAL INFORMATION

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of Clinton City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or any other matters related to the City's finances should be addressed to Clinton City, 2267 North 1500 West, Clinton City, Utah 84015.

BASIC FINANCIAL STATEMENTS

CLINTON CITY
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,625,248	\$ 7,502,557	\$ 16,127,805
Restricted cash	1,774,587	1,188,843	2,963,430
Accounts receivable	183,000	827,743	1,010,743
Due from other governmental units	4,293,399	-	4,293,399
Grant receivable	531,276	-	531,276
Lease receivable	130,719	-	130,719
Prepaid expenses	195,463	232,007	427,470
Inventory	43,729	42,560	86,289
Internal balances	540,109	(540,109)	-
Net pension asset	256,655	47,705	304,360
Capital assets (net of accumulated depreciation & amortization):			
Land	10,323,630	657,894	10,981,524
Construction in progress	2,686,214	356,077	3,042,291
Infrastructure	34,869,998	28,307,736	63,177,734
Buildings	12,088,788	-	12,088,788
Improvements	6,459,120	-	6,459,120
Leased equipment	21,879	-	21,879
Machinery and equipment	2,099,151	-	2,099,151
Intangible right-to-use software agreement	-	65,675	65,675
Water rights	-	1,763,100	1,763,100
TOTAL ASSETS	85,122,965	40,451,788	125,574,753
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources relating to pensions	1,193,505	132,069	1,325,574
TOTAL ASSETS AND DEFERRED OUTFLOWS	86,316,470	40,583,857	126,900,327
LIABILITIES			
Accounts payable and accrued expenses	547,183	976,984	1,524,167
Accounts payable from restricted resources	13,646	10,775	24,421
Deposits	661,954	186,064	848,018
Non-current liabilities:			
Due within one year	-	14,237	14,237
Due in more than one year	1,383,468	192,007	1,575,475
TOTAL LIABILITIES	2,606,251	1,380,067	3,986,318
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	2,987,506	-	2,987,506
Deferred inflows of resources related to grants	83,905	2,314,341	2,398,246
Deferred inflows of resources related to leases	119,605	-	119,605
Deferred inflows of resources related to pensions	51,514	29,546	81,060
TOTAL DEFERRED INFLOWS OF RESOURCES	3,242,530	2,343,887	5,586,417
NET POSITION			
Net investment in capital assets	68,548,780	31,150,482	99,699,262
Restricted for:			
Debt service - revenue bond	-	-	-
Redevelopment agency	264,856	-	264,856
Perpetual care	801,920	-	801,920
Transportation impact fees	-	-	-
Class C roads	244,781	-	244,781
Park impact fees	449,355	-	449,355
Transportation tax	13,675	-	13,675
Utility impact fees	-	1,188,843	1,188,843
Unrestricted	10,144,322	4,520,578	14,664,900
TOTAL NET POSITION	\$ 80,467,689	\$ 36,859,903	\$ 117,327,592

The accompanying notes are an integral part of these statements.

CLINTON CITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Primary Government			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		Total				
						Governmental Activities	Business-type Activities					
PRIMARY GOVERNMENT:												
Governmental activities:												
General government	\$ 3,191,999	\$ 942,941	\$ 18,782	\$ -	\$ (2,230,276)	\$ -	\$ -	\$ (2,230,276)				
Public safety	6,113,494	732,497	3,182	31,302	(5,346,513)	-	-	(5,346,513)				
Highways and improvements	2,900,428	400,504	1,477,726	3,663,043	2,640,845	-	-	2,640,845				
Parks and recreation	1,843,588	270,078	-	90,739	(1,482,771)	-	-	(1,482,771)				
Cemeteries	84,632	58,230	-	-	(26,402)	-	-	(26,402)				
Interest on long term debt	-	-	-	-	-	-	-	-				
Total governmental activities	<u>14,134,141</u>	<u>2,404,250</u>	<u>1,499,690</u>	<u>3,785,084</u>	<u>(6,445,117)</u>	<u>-</u>	<u>-</u>	<u>(6,445,117)</u>				
Business-type activities:												
Water	2,082,911	2,261,776	-	539,510	-	718,375	718,375					
Sewer	2,414,464	2,335,357	-	97,094	-	17,987	17,987					
Solid waste	1,962,506	1,857,574	-	-	-	(104,932)	(104,932)					
Storm water	762,755	525,774	-	115,892	-	(121,089)	(121,089)					
Sewer special service	136,643	177,466	-	-	-	40,823	40,823					
Total business-type activities	<u>7,359,279</u>	<u>7,157,947</u>	<u>-</u>	<u>752,496</u>	<u>-</u>	<u>551,164</u>	<u>551,164</u>					
Total primary government	<u>\$ 21,493,420</u>	<u>\$ 9,562,197</u>	<u>\$ 1,499,690</u>	<u>\$ 4,537,580</u>	<u>(6,445,117)</u>	<u>551,164</u>	<u>551,164</u>	<u>(5,893,953)</u>				
General revenues:												
Property taxes					2,890,812	-	-	2,890,812				
Sales taxes					5,335,139	-	-	5,335,139				
Franchise taxes					1,219,665	-	-	1,219,665				
Fees-in-lieu of taxes					168,989	-	-	168,989				
Miscellaneous					51,293	-	-	51,293				
Lease and other financing					3,738	-	-	3,738				
Interest earnings					436,809	243,864	243,864	680,673				
Transfers in (out)					(452,729)	452,729	452,729	-				
Total general revenues and transfers					<u>9,653,716</u>	<u>696,593</u>	<u>696,593</u>	<u>10,350,309</u>				
Change in net position					<u>3,208,599</u>	<u>1,247,757</u>	<u>1,247,757</u>	<u>4,456,356</u>				
Net position - beginning, as restated					<u>77,259,090</u>	<u>35,612,146</u>	<u>35,612,146</u>	<u>112,871,236</u>				
Net position - ending					<u>\$ 80,467,689</u>	<u>\$ 36,859,903</u>	<u>\$ 36,859,903</u>	<u>\$ 117,327,592</u>				

The accompanying notes are an integral part of these statements.

**CLINTON CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Fund	Capital Improvements Fund	1300 N Road Improvement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,262,032	\$ 2,748,019	\$ -	\$ 2,623,690	\$ 8,633,741
Restricted cash	258,456	-	-	1,516,131	1,774,587
Accounts receivable	183,000	-	-	-	183,000
Due from other governmental units	4,293,399	-	-	-	4,293,399
Interfund receivable	150,000	912,000	-	-	1,062,000
Grant receivable	-	-	531,276	-	531,276
Lease receivable	130,719	-	-	-	130,719
Inventory	43,729	-	-	-	43,729
Prepaid expenses	111,932	-	-	-	111,932
Total assets	\$ 8,433,267	\$ 3,660,019	\$ 531,276	\$ 4,139,821	\$ 16,764,383
LIABILITIES					
Cash overdraft	\$ -	\$ -	\$ 433,449	\$ -	\$ 433,449
Accounts payable	83,293	-	163,144	74,520	320,957
Accounts payable from restricted sources	11,426	-	-	2,220	13,646
Other accrued liabilities	209,462	-	-	-	209,462
Customer deposits	661,954	-	-	-	661,954
Total liabilities	966,135	-	596,593	76,740	1,639,468
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	2,987,506	-	-	-	2,987,506
Deferred inflows related to grants	-	-	83,905	-	83,905
Deferred inflows related to leases	119,605	-	-	-	119,605
Total deferred inflows of resources	3,107,111	-	83,905	-	3,191,016
FUND BALANCES					
Nonspendable:					
Prepays	111,932	-	-	-	111,932
Restricted for:					
Special revenue - RDA	-	-	-	264,856	264,856
Perpetual care	-	-	-	801,920	801,920
Park impact fees	-	-	-	449,355	449,355
Transportation impact fees	-	-	-	-	-
State liquor funds	-	-	-	-	-
Class C roads	244,781	-	-	-	244,781
Transportation tax	13,675	-	-	-	13,675
Assigned to:					
Capital projects	-	3,660,019	-	2,530,901	6,190,920
Special revenue - other	-	-	-	16,049	16,049
Unassigned	3,989,633	-	(149,222)	-	3,840,411
Total fund balances	4,360,021	3,660,019	(149,222)	4,063,081	11,933,899
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,433,267	\$ 3,660,019	\$ 531,276	\$ 4,139,821	\$ 16,764,383

The accompanying notes are an integral part of these statements.

CLINTON CITY
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total fund balances - governmental funds: \$ 11,933,899

Amounts reported for governmental activities in the Statement of

Net Position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	\$ 10,323,630
Construction in progress	2,686,214
Infrastructure	53,615,549
Buildings	19,064,180
Improvements	8,789,897
Machinery and equipment	1,731,509
Accumulated depreciation	<u>(29,470,168)</u>
	66,740,811

Internal Service Funds are used by management to charge the costs of fleet management to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position. 2,292,693

Less: Internal payable representing charges in excess of cost to business type activities.

Prior years	(503,746)
Current year	<u>(18,145)</u>
	1,770,802

Net pension assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 241,400

Deferred outflows of resources, a consumption of net position that applies to future periods, is not shown in the fund statements. 1,162,825

Deferred inflows of resources, a use of net position that applies to future periods, is not shown in the fund statements. (38,494)

Long-term liabilities, including compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds, but they are reported in the Statement of Net Position.

Net pension liability	(894,080)
Compensated absences	<u>(449,474)</u>
	(1,343,554)

Net position of governmental activities \$ 80,467,689

CLINTON CITY
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

REVENUES	General	Capital	1300 N Road	Other	Total
	Fund	Improvements	Improvement	Governmental	Governmental
Taxes					
Property taxes	\$ 2,890,812	\$ -	\$ -	\$ -	\$ 2,890,812
Sales taxes	5,335,139	-	-	-	5,335,139
Franchise taxes	1,219,665	-	-	-	1,219,665
Fees-in-lieu of taxes	168,989	-	-	-	168,989
Licenses and permits	456,028	-	-	-	456,028
Intergovernmental	1,501,042	-	-	-	1,501,042
State grants	-	-	-	-	-
Local grants	-	-	2,100,473	129,866	2,230,339
Charges for services	1,643,294	-	-	-	1,643,294
Fines and forfeitures	137,413	-	-	-	137,413
Miscellaneous revenue	319,715	205,817	-	126,652	652,184
Special revenues	172,703	-	-	-	172,703
Total revenues	<u>13,844,800</u>	<u>205,817</u>	<u>2,100,473</u>	<u>256,518</u>	<u>16,407,608</u>
EXPENDITURES					
Current					
General government	2,720,128	-	-	20,813	2,740,941
Public safety	6,342,944	-	-	-	6,342,944
Highways and public improvements	1,182,428	-	88,745	394,349	1,665,522
Parks and recreation	1,567,869	-	-	101,628	1,669,497
Cemeteries	86,412	-	-	-	86,412
Debt service					
Principal	-	-	-	-	-
Interest and fees	-	-	-	-	-
Capital outlay					
General government	-	-	-	-	-
Public safety	222,100	-	-	111,865	333,965
Highways and public improvements	297,104	-	2,482,982	1,325,321	4,105,407
Parks and recreation	6,608	-	-	88,506	95,114
Cemeteries	-	-	-	-	-
Total expenditures	<u>12,425,593</u>	<u>-</u>	<u>2,571,727</u>	<u>2,042,482</u>	<u>17,039,802</u>
Excess (deficiency) of revenues over expenditures	<u>1,419,207</u>	<u>205,817</u>	<u>(471,254)</u>	<u>(1,785,964)</u>	<u>(632,194)</u>
Other financing sources (uses)					
Lease and other financing proceeds	3,738	-	-	-	3,738
Transfers in	24,073	-	-	2,930,992	2,955,065
Transfers out	(1,245,991)	(2,052,729)	-	(174,074)	(3,472,794)
Total other financing sources and uses	<u>(1,218,180)</u>	<u>(2,052,729)</u>	<u>-</u>	<u>2,756,918</u>	<u>(513,991)</u>
Net change in fund balances	<u>201,027</u>	<u>(1,846,912)</u>	<u>(471,254)</u>	<u>970,954</u>	<u>(1,146,185)</u>
Fund balances - beginning of year, as restated	<u>4,158,994</u>	<u>5,506,931</u>	<u>322,032</u>	<u>3,092,127</u>	<u>13,080,084</u>
Fund balances - end of year	<u>\$ 4,360,021</u>	<u>\$ 3,660,019</u>	<u>\$ (149,222)</u>	<u>\$ 4,063,081</u>	<u>\$ 11,933,899</u>

The accompanying notes are an integral part of these statements.

CLINTON CITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

Amounts reported for governmental activities in the Statement of

Activities are different because:

Net changes in fund balances - total governmental funds	\$ (1,146,185)
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Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital additions exceeded depreciation in the current period.

Capital outlays	\$ 4,534,486
Depreciation expense	<u>(1,993,029)</u> 2,541,457

Donations of capital assets increase net position in the Statement of

Activities, but do not appear in the governmental funds because they are not financial resources.

Infrastructure	1,407,877
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The Statement of Activities includes the net pension benefit (expense from the adoption of GASB 68, which is not included in the fund financial statements).

418,601

Internal Service Funds are used by management to charge the costs of fleet management to individual funds. The net income of certain activities of the Internal Service Fund is reported with governmental activities.

41,246

The disposition of capital assets results in the reporting of proceeds in the fund financial statements, but the net book value of the asset is reduced in the statement of activities.

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items is as follows:

Issuance of debt	-
Amortization of premium	-
Repayment of bond principal	<u>-</u>

Some expenses reported in the Statement of Activities do not require use of current financial resources and therefore, are not reported as expenditures in governmental funds.

(54,397)

Change in net position of governmental activities

\$ 3,208,599

CLINTON CITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

Business-Type Activities - Enterprise Funds			
	Water	Sewer	Solid Waste
ASSETS AND DEFERRED OUTFLOWS			
Current assets:			
Cash and cash equivalents	\$ 5,435,209	\$ 401,365	\$ 345,682
Accounts receivable	387,610	207,756	171,668
Interfund receivable	-	250,000	-
Inventory	20,309	-	17,607
Prepaid expenses	232,007	-	-
Total current assets	<u>6,075,135</u>	<u>859,121</u>	<u>534,957</u>
Noncurrent assets:			
Restricted cash and cash equivalents	938,639	-	-
Net pension asset	14,042	12,126	7,891
Land	247,931	-	-
Construction in progress	356,077	-	-
Water stock	1,763,100	-	-
Leased assets	-	-	-
Intangible right-to-use software	65,675	-	-
Depreciable assets	17,283,346	8,171,183	138,524
Less: accumulated depreciation & amortization	(5,538,256)	(2,285,364)	(52,635)
Total noncurrent assets	<u>15,130,554</u>	<u>5,897,945</u>	<u>93,780</u>
Total assets	<u>21,205,689</u>	<u>6,757,066</u>	<u>628,737</u>
Deferred outflows of resources - pension	63,458	23,571	17,378
Total assets and deferred outflows of resources	<u>21,269,147</u>	<u>6,780,637</u>	<u>646,115</u>
LIABILITIES AND DEFERRED INFLOWS			
Current liabilities:			
Accounts payable	649,203	171,758	121,136
Accounts payable from restricted sources	551	-	-
Compensated absences	40,440	11,152	8,438
Salaries & wages payable	8,305	3,628	2,357
Interfund payable	1,062,000	-	-
Lease liability	14,237	-	-
Deposits	183,520	2,544	-
Total current liabilities	<u>1,958,256</u>	<u>189,082</u>	<u>131,931</u>
Noncurrent liabilities:			
Net pension liability	49,507	22,261	14,288
Lease liability	-	-	-
Total noncurrent liabilities	<u>49,507</u>	<u>22,261</u>	<u>14,288</u>
Deferred inflows of resources - grants	2,314,341	-	-
Deferred inflows of resources - pension	21,013	(1,794)	4,800
Total deferred inflows of resources	<u>2,335,354</u>	<u>(1,794)</u>	<u>4,800</u>
Total liabilities and deferred inflows of resources	<u>4,343,117</u>	<u>209,549</u>	<u>151,019</u>
NET POSITION			
Net investment in capital assets	14,177,873	5,885,819	85,889
Restricted - impact fees	938,639	-	-
Unrestricted	1,809,518	685,269	409,207
Total net position	<u>\$ 16,926,030</u>	<u>\$ 6,571,088</u>	<u>\$ 495,096</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			
Net position of business-type activities			

Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Fund
Storm Water	Sewer Special Service	Total		
\$ 801,627	\$ 518,674	\$ 7,502,557	\$ 424,956	
45,911	14,798	827,743	-	
-	-	250,000	-	
4,644	-	42,560	-	
-	-	232,007	83,531	
<u>852,182</u>	<u>533,472</u>	<u>8,854,867</u>	<u>508,487</u>	
250,204	-	1,188,843	-	
12,948	698	47,705	15,255	
409,963	-	657,894	-	
-	-	356,077	-	
-	-	1,763,100	-	
-	-	-	21,879	
-	-	65,675	-	
12,210,076	1,556,605	39,359,734	6,348,661	
(2,915,853)	(259,890)	(11,051,998)	(4,562,571)	
<u>9,967,338</u>	<u>1,297,413</u>	<u>32,387,030</u>	<u>1,823,224</u>	
<u>10,819,520</u>	<u>1,830,885</u>	<u>41,241,897</u>	<u>2,331,711</u>	
<u>25,686</u>	<u>1,976</u>	<u>132,069</u>	<u>30,680</u>	
<u>10,845,206</u>	<u>1,832,861</u>	<u>41,373,966</u>	<u>2,362,391</u>	
8,966	7,076	958,139	13,059	
10,224	-	10,775	-	
19,133	761	79,924	17,206	
4,387	168	18,845	3,705	
-	250,000	1,312,000	-	
-	-	14,237	-	
-	-	186,064	-	
<u>42,710</u>	<u>258,005</u>	<u>2,579,984</u>	<u>33,970</u>	
25,141	886	112,083	22,708	
-	-	-	-	
<u>25,141</u>	<u>886</u>	<u>112,083</u>	<u>22,708</u>	
-	-	2,314,341	-	
4,029	1,498	29,546	13,020	
4,029	1,498	2,343,887	13,020	
<u>71,880</u>	<u>260,389</u>	<u>5,035,954</u>	<u>69,698</u>	
9,704,186	1,296,715	31,150,482	1,807,969	
250,204	-	1,188,843	-	
818,936	275,757	3,998,687	484,724	
<u>\$ 10,773,326</u>	<u>\$ 1,572,472</u>	<u>36,338,012</u>	<u>\$ 2,292,693</u>	
		521,891		
		<u>\$ 36,859,903</u>		

CLINTON CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

Business-Type Activities - Enterprise Funds			
	Water	Sewer	Solid Waste
OPERATING REVENUE			
Charges for service	\$ 2,132,545	\$ 2,327,799	\$ 1,857,574
Other	129,231	7,558	-
Total operating revenue	<u>2,261,776</u>	<u>2,335,357</u>	<u>1,857,574</u>
OPERATING EXPENSES			
Operation and maintenance	339,152	31,833	154,704
Sewage treatment	-	1,857,661	-
Source of supply	463,572	-	-
Depreciation	314,529	150,721	2,454
Right of use amortization	32,838	-	-
General expenses	354,719	125,638	224,474
Salaries	290,554	130,401	83,998
Employee benefits	151,649	67,695	49,334
Waste collection	-	-	507,754
Waste disposal	-	-	884,916
Vehicle operation	143,795	53,450	58,061
Total operating expenses	<u>2,090,808</u>	<u>2,417,399</u>	<u>1,965,695</u>
Operating income (loss)	<u>170,968</u>	<u>(82,042)</u>	<u>(108,121)</u>
NONOPERATING REVENUE (EXPENSES)			
Impact fees	91,880	4,294	-
Interest revenue	133,997	27,633	17,902
Interest expense	(724)	-	-
Grants	348,430	-	-
Gain (loss) on sale	-	-	-
Total nonoperating revenue	<u>573,583</u>	<u>31,927</u>	<u>17,902</u>
Income (loss) before contributions	744,551	(50,115)	(90,219)
Transfers in (out)	452,729	(10,000)	-
Capital contributions	99,200	92,800	-
Change in net position	1,296,480	32,685	(90,219)
Net position - beginning, as restated	<u>15,629,550</u>	<u>6,538,403</u>	<u>585,315</u>
Net position - ending	<u><u>\$ 16,926,030</u></u>	<u><u>\$ 6,571,088</u></u>	<u><u>\$ 495,096</u></u>

Adjustment to reflect the consolidation of internal service fund activities
related to enterprise funds

Changes in net position of business-type activities

Business-Type Activities - Enterprise Funds				Governmental Activities
Storm Water	Sewer Special Service	Total		Internal Service Fund
\$ 523,308	\$ 160,903	\$ 7,002,129	\$ 1,081,413	
2,466	16,563	155,818	-	
<u>525,774</u>	<u>177,466</u>	<u>7,157,947</u>	<u>1,081,413</u>	
142,742	15,745	684,176	446,955	
-	80,131	1,937,792	-	
-	-	463,572	-	
199,449	22,237	689,390	452,979	
-	-	32,838	5,049	
125,638	7,120	837,589	-	
147,589	5,453	657,995	133,026	
79,339	2,998	351,015	71,105	
-	-	507,754	-	
-	-	884,916	-	
71,949	3,132	330,387	2,610	
<u>766,706</u>	<u>136,816</u>	<u>7,377,424</u>	<u>1,111,724</u>	
<u>(240,932)</u>	<u>40,650</u>	<u>(219,477)</u>	<u>(30,311)</u>	
74,992	-	171,166	-	
44,817	20,239	244,588	20,096	
-	-	(724)	(239)	
-	-	348,430	-	
-	-	-	4,845	
<u>119,809</u>	<u>20,239</u>	<u>763,460</u>	<u>24,702</u>	
<u>(121,123)</u>	<u>60,889</u>	<u>543,983</u>	<u>(5,609)</u>	
-	10,000	452,729	65,000	
40,900	-	232,900	-	
(80,223)	70,889	1,229,612	59,391	
<u>10,853,549</u>	<u>1,501,583</u>		<u>2,233,302</u>	
<u>\$ 10,773,326</u>	<u>\$ 1,572,472</u>		<u>\$ 2,292,693</u>	
		18,145		
		<u>\$ 1,247,757</u>		

CLINTON CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds		
	Solid		
	Water	Sewer	Waste
Cash Flows From Operating Activities			
Receipts from customers	\$ 2,204,651	\$ 2,335,045	\$ 1,849,016
Interfund services provided	-	-	-
Payments to employees	(294,012)	(138,917)	(86,881)
Payments to suppliers	(485,285)	(2,308,254)	(1,579,667)
Payments for interfund services used	(498,514)	(139,088)	(282,535)
Net cash from operating activities	<u>926,840</u>	<u>(251,214)</u>	<u>(100,067)</u>
Cash Flows From Noncapital Financing Activities			
Transfers in/(out)	452,729	(10,000)	-
Net cash from noncapital financing activities	<u>452,729</u>	<u>(10,000)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities			
Receipts for impact fees	91,880	4,294	-
Payments on lease liability	(15,500)	-	-
Purchase of SBITA	(46,615)		
Increase in deferred inflows - grants	2,662,771		
Purchases of capital assets	(770,138)	(236,477)	-
Proceeds from sale of assets	-	-	-
Net cash from capital and related financing	<u>1,922,398</u>	<u>(232,183)</u>	<u>-</u>
Cash Flows From Investing Activities			
Interest and dividends received	133,997	27,633	17,902
Net cash from investing activities	<u>133,997</u>	<u>27,633</u>	<u>17,902</u>
Net increase (decrease in cash and cash equivalents)	3,435,964	(465,764)	(82,165)
Cash and cash equivalents, July 1	2,937,884	867,129	427,847
Cash and cash equivalents, June 30	<u>\$ 6,373,848</u>	<u>\$ 401,365</u>	<u>\$ 345,682</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 170,968	\$ (82,042)	\$ (108,121)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	314,529	150,721	2,454
Lease amortization expense	32,838	-	-
(Increase) decrease in prepaid expenses	56,648	-	-
(Increase) decrease in accounts receivable	(55,246)	(2,856)	(8,558)
(Increase) decrease in interfund receivable		40,000	
(Increase) decrease in inventory	17,791	-	19,834
Increase (decrease) in accounts payable	394,649	(351,065)	(2,793)
Increase (decrease) in compensated absences	8,901	(2,683)	893
Increase (decrease) in accrued expenses	4,941	1,946	1,516
Increase (decrease) in interfund payable	-	-	
Increase (decrease) in net pension liability	(17,300)	(7,779)	(5,292)
Increase (decrease) in deposits	(1,879)	2,544	-
Total adjustments	<u>755,872</u>	<u>(169,172)</u>	<u>8,054</u>
Net cash provided (used) by operating activities	<u>\$ 926,840</u>	<u>\$ (251,214)</u>	<u>\$ (100,067)</u>
Noncash Investing, Capital and Financing Activities:			
Contributed capital assets from developers	<u>\$ 99,200</u>	<u>\$ 92,800</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

Business-Type Activities - Enterprise Funds				Governmental Activities
Storm Water	Sewer Service	Total	Internal Service Fund	
\$ 522,949	\$ 176,156	\$ 7,087,817	\$ -	
-	-	-	1,081,413	
(150,537)	(5,586)	(675,933)	(135,869)	
(287,272)	(101,925)	(4,762,403)	(580,254)	
(197,587)	(50,252)	(1,167,976)	-	
<u>(112,447)</u>	<u>18,393</u>	<u>481,505</u>	<u>365,290</u>	
-	10,000	452,729	65,000	
-	10,000	452,729	65,000	
74,992	-	171,166	-	
-	-	(15,500)	(15,261)	
(264,602)	-	(1,271,217)	(489,123)	
-	-	-	4,845	
<u>(189,610)</u>	<u>-</u>	<u>(1,115,551)</u>	<u>(499,539)</u>	
44,817	20,239	244,588	20,096	
<u>44,817</u>	<u>20,239</u>	<u>244,588</u>	<u>20,096</u>	
(257,240)	48,632	63,271	(49,153)	
1,309,071	470,042	6,011,973	474,109	
\$ 1,051,831	\$ 518,674	\$ 8,691,400	\$ 424,956	
\$ (240,932)	\$ 40,650	\$ (219,477)	\$ (30,311)	
199,449	22,237	689,390	452,979	
-	-	32,838	5,049	
-	-	56,648	(70,739)	
(2,825)	(1,524)	(71,009)	-	
2,153	-	39,778	-	
(67,344)	(3,051)	(29,604)	11,155	
3,132	9	10,252	3,066	
2,705	168	11,276	2,023	
	(40,000)			
(8,785)	(310)	(39,466)	(7,932)	
-	214	879	-	
<u>128,485</u>	<u>(22,257)</u>	<u>700,982</u>	<u>395,601</u>	
\$ (112,447)	\$ 18,393	\$ 481,505	\$ 365,290	
\$ 40,900	\$ -	\$ 232,900	\$ -	

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Clinton City, Utah conform in all material respects to generally accepted accounting principles (GAAP) as applicable to governments. The City has adopted the provisions of the Governmental Accounting Standards Board (GASB). Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements.

The following is a summary of the more significant policies and is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

A. Reporting Entity

Clinton City was incorporated in the State of Utah. The City operates under a six-member Council form, vesting the government of the municipality in the City Council which is deemed the governing body. The City Council is composed of six members, one of whom shall be the Mayor and the remaining five are Council members. The City provides the following services as authorized by its charter: Public safety, public utilities, highways and streets, social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The criteria set forth by generally accepted accounting principles (GAAP) was used to determine which entities to include in this report. GASB Concepts Statement-1 (Objectives of Financial Reporting) concludes that the basic foundation for governmental financial reporting is accountability. The Concepts Statement asserts that accountability requires governments to answer to the citizenry - to justify the raising of public resources and the purposes for which they are used. In turn, the concept of accountability becomes the basis for defining the financial reporting entity.

In defining the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by the Governmental Accounting Standards board (GASB). Under GASB Statement No. 61, *The Financial Reporting Entity*, the financial reporting entity consists of the primary government and the following component units:

Blended component units: Blended component units, although legally separate entities, are in substance part of the government's operations. They are reported as part of the primary government and blended with the appropriate funds. The City has the following component units.

On June 9, 1992, the City adopted an ordinance creating the Clinton City Redevelopment Agency and designating the City Council of Clinton as the governing body of the Agency. The Redevelopment Agency is accounted for as a special revenue fund.

The City established the Clinton City Sanitary Sewer Special Service District to take care of a sewer lift station. This special service district is presented as a blended component unit with the enterprise funds.

In 2011, the City established Clinton PARCS to enhance community leadership and to promote liberal and fine arts. The component unit is presented as a blended component unit in the General Fund.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The City has adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance*. Accordingly, the City has elected to apply all applicable GASB pronouncements and codified accounting standards issued by GASB. The more significant accounting policies established in GAAP and used by the City are discussed below.

The City's basic financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the City as a whole, while the fund statements focus on individual funds.

Government-wide Financial Statements

The government-wide statements present information on all non-fiduciary activities of the primary government. Primary government activities are distinguished between *governmental* and *business-type* activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The *Statement of Net Position* presents the City's non-fiduciary assets and liabilities, with the difference reported as net position. Net positions are restricted when constraints placed upon them are either externally imposed or are imposed by constitutional provisions or enabling legislation. 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 that are clearly identifiable within a specific function. The City does not allocate general government (indirect) expenses to other functions. 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; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

Fund Financial Statements

The financial transactions of the City are recorded in individual funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Statements are provided for *governmental funds* and for *proprietary funds*. For governmental and proprietary funds, the emphasis is on *major funds*, with each displayed in a separate column.

The City reports the following major governmental funds:

General Fund - This fund is the principal operating fund of the City. It is used to account for all financial resources not required to be accounted for in another fund.

Capital Improvements Fund - The Capital Improvements fund accounts for the accumulation of resources to be used in capital projects of the City, which usually extend beyond one year.

1300 N Road Improvement Fund - The 1300 N Road Improvement fund accounts for revenues and expenses of the 1300 N project.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

The City reports the following major proprietary funds:

Sewer Fund - The sewer fund is used to account for operations of the sewer system, (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Water Fund - The water fund is used to account for operations of the water system, (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Solid Waste Fund - The solid waste fund is used to account for operations of the solid waste system, (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Storm Water Fund - The storm water fund is used to account for operations of the storm water system, (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Sewer Special Service District Fund - The sewer special service district fund is used to account for operations of a sewer lift station (a) that is financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

Additionally, the City reports the following fund type:

Internal Service Fund - The internal service fund is used to account for the operating costs of vehicles and equipment charged to the other departments or funds. The internal service fund primarily benefits the governmental funds and is included as part of governmental-type activities in the government-wide financial statements. The net profit or loss on the internal service fund operations is allocated to the functions that benefited from the goods or services provided on the basis of their proportionate benefit. This technique is commonly known as the look-back approach to internal service fund consolidations on the government-wide financial statements.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Taxes and fees are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

The governmental fund financial statements are prepared and reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Expenditures are generally recorded when the related liability is incurred.

Proprietary funds separate operating and non-operating revenues and expenses. Operating revenues and expenses normally arise from providing goods and services in connection with the fund's normal ongoing operations. The principal sources of operating revenues for the proprietary funds are charges to customers for goods and services. Operating expenses include the cost of sales and services, administrative overhead expenses and depreciation on capital assets. All other revenues or expenses are recorded as non-operating.

D. Assets, Liabilities, and Fund Balances/Net Position

The following are the City's significant policies regarding recognition and reporting of certain assets, liabilities, and equity.

Pooled Cash and Temporary Investments

Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Fund Balances/Net Position (Continued)

Inventories

The city reported inventories in the amount of \$86,289 for the year ended June 30, 2023.

Restricted Assets

Certain resources set aside as reserves in accordance with council resolutions and State statutes are classified as restricted assets on the balance sheet because their use is limited.

Capital Assets

General capital assets are not capitalized in the governmental funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures.

Capital assets are reported in the governmental column in the government-wide financial statements. All purchased fixed assets are valued at cost or estimated historical cost. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Capital assets are defined as assets with an initial, individual cost of more than \$5,000.

Infrastructure capital assets which are newly constructed are capitalized. The City currently has infrastructure assets recorded.

Depreciation of all exhaustible capital assets is charged as an expense in the related program. Accumulated depreciation is reported on the Statement of Net Position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	30-50 years
Improvements	10-70 years
Equipment	5-10 years
Infrastructure	25-70 years

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Fund Balances/Net Position (Continued)

Deferred Outflows/Inflows 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 position 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 position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Pensions

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

Long-term Obligations

In the government-wide statements, long-term debt obligations are reported as liabilities.

The face amount of debt issued is reported as other financing sources in the governmental fund financial statements.

Equity

Fund financial statements

In February 2009, GASB issued Statement No. 54 on Fund Balance Reporting and Governmental Fund Type Definitions. The statement is effective for years beginning after June 15, 2010. The statement applies only to governmental fund financial statements and not to government-wide statements or proprietary fund statements. Proprietary fund equity is classified the same as in the government-wide statements. The governmental fund balances may be classified as follows:

- a. Non-spendable - Fund balances that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted fund balance - Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, by law through constitutional provision or enabling legislation, or restrictions set by creditors, grantors, or contributors.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Fund Balances/Net Position (Continued)

Equity (Continued)

- c. Committed fund balance - Fund balances are reported as committed when the Council formally designates the use of resources by ordinance or resolution for a specific purpose and cannot be used for any other purpose unless the City Council likewise formally changes the use.
- d. Assigned fund balance - Fund balances are reported as assigned when the City Council or Management intends to use funds for a specific purpose. Normally funds are assigned by the appropriation process of setting the budget. Additionally, funds in special revenue, debt service, and capital project funds are by their nature assigned to the purpose of those respective funds.
- e. Unassigned fund balance - Fund balances in the general fund are reported as unassigned when they are neither restricted, committed, nor assigned. They may be used for any governmental purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed unless City Council has provided otherwise in its commitment or assignment actions.

Government-wide statements:

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of 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.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

It is City's policy to first apply restricted resources when the expense is incurred for purposes for which both restricted and unrestricted net position are available.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Revenues and Expenditures

The following are the City's significant policies related to recognition and reporting of certain revenues, expenditures, and interfund activity.

Revenue Availability

Under the modified accrual basis of accounting, revenues are considered to be "available" when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The City considers property tax revenues to be available if they are collected within 60 days after the end of the current year. Grants and similar items are recognized as revenue when all eligibility requirements have been met. All other revenues are considered to be available if they are collected within 60 days after year-end.

Statement of Governmental Accounting Standards (SGAS) No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, defines a non-exchange transaction as one in which "a government either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange." For property taxes, at January 1 of each year (the assessment date), the City has the legal right to collect the taxes, and in accordance with the provisions of the new statement, has now recorded a receivable and a corresponding deferred inflows or resources for the assessed amount of those property taxes as of January 1 of the current year.

Expenditure Recognition

In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures, and proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all governmental funds except for the CDBG Grant Special Revenue Fund and HUD Housing Special Revenue Fund which had no projected activity for the current year. All annual appropriations lapse at the fiscal year end. Encumbrance accounting is not used by the City. Summary of City Budget Procedures and Calendar:

1. The City Council can amend the budget to any extent, provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance.
2. Budgets are required by the State of Utah for both the General and Special Revenue Funds.
3. Each year the City publishes a separate budget document prepared according to this legal level of control.
4. The City's budget is a Financial Plan of all estimated revenues and all appropriations for expenditures. Revenues and Expenditures must balance for the funds required by the State Code as indicated in item 2 above.
5. A tentative budget is presented by the Mayor to the City Council by the first regularly scheduled council meeting in May. The tentative budget is reviewed and tentatively adopted by the Council no later than June 22.
6. The tentative budget is a public record and is available for inspection at the City offices for at least ten days prior to adoption of the final budget.
7. Notice of public hearing on adoption of the final budget is published seven days prior to the public hearing.
8. The public hearing on the tentatively adopted budget is held no later than June 22. Final adjustments are made to the tentative budget by the Council after the public hearing.
9. Occasionally the City Council will exercise their option to open the budget to indicate additional financing sources that become available.
10. The final budget is adopted by ordinance before June 22 and a copy of the budget certified by the Budget Officer is filed with the State Auditor within thirty days of adoption.
11. In connection with budget adoption:
 - a. An annual tax ordinance establishing the property tax rate is adopted before June 22.
 - b. The City Treasurer is to certify the property tax rate to the County Auditor before June 22.
12. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Summary of Action Required for Budget Changes:

The Council may, by resolution, transfer unexpended appropriations from one department to another department within the same fund. The budget appropriation for any department may be reduced by resolution.

Fund budgets may be increased by resolution after a public hearing.

G. Contributions

Certain proprietary fund types receive contributions for aid in construction from various sources. With the adoption of GASB No. 33, these contributions that were formerly credited directly to contributed capital accounts are now reflected as non-operating revenue.

H. Compensated Absences

City policy provides for vested or accumulated vacation leave. All compensated absences are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Use of Estimates

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Restricted Resources

The City's policy is to use restricted resources first to fund appropriations when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

K. Bond Premium

Bond premium related to the issuance of bonds is amortized over the life of the bond on a straight-line basis in the government-wide financial statements, but is recorded as revenue in the year of the bond issue in the governmental fund statements.

NOTE 2 - DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost or amortized cost, which approximates fair value. Each fund's portion of this pool is displayed as "Cash and Cash Equivalents" which also includes cash accounts that are separately held by some of the City's funds. Deposits are not collateralized nor are they required to be by State statute.

The City follows the requirements of the Utah Money Management Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and investment transactions. This Act requires the depositing of City funds in a "qualified depository".

The Act defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the Federal government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of June 30, 2023, \$353,593 of the City's bank balances of \$758,376 was uninsured and uncollateralized.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The City follows the requirements of the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Money Management Act defines the types of securities authorized as appropriate investments for the City's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (*Utah Code*, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. 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 operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments, continued

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1*: Quoted prices for identical investments in active markets;
- *Level 2*: Observable inputs other than quoted market prices; and,
- *Level 3*: Unobservable inputs.

At June 30, 2023, the City had the following recurring fair value measurements.

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Investments by fair value level				
Debt securities:				
Utah Public Treasurer's Investment Fund	\$ 19,354,153	\$ -	\$ 19,354,153	\$ -
Total debt securities	<u>\$ 19,354,153</u>	<u>\$ -</u>	<u>\$ 19,354,153</u>	<u>\$ -</u>

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds: quoted prices for similar securities in active markets;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers' Investment Fund: application of the June 30, 2023 fair value factor, as calculated by the Utah State Treasurer, to the City's average daily balance in the Fund.

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's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2023, the City's investments had the following maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
PTIF Investments	19,354,153	19,354,153	-	-	-
	19,354,153	19,354,153	-	-	-

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act, as previously discussed.

At June 30, 2023, the City's investments had the following quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
PTIF Investments	19,354,153	-	-	-	19,354,153
	19,354,153	-	-	-	19,354,153

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

Custodial credit risk (investments) – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk.

The City's investment in the Utah Public Treasurer's Investment Fund has no custodial credit risk.

Cash on hand and on deposit:

Cash on deposit	\$ (263,039)
Petty cash	121
PTIF investment	<u>19,354,153</u>
Total cash and investments	<u><u>\$ 19,091,235</u></u>

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Cash and investments are included in the accompanying combined statement of net position as follows:

Unrestricted cash	\$ 16,127,805
Restricted cash for:	
Transportation impact fees	-
RDA fund	264,856
Cemetery	801,920
Park impact fees	449,355
Transportation tax	13,675
Class C roads	244,781
Utility impact fees	<u>1,188,843</u>
Total cash and investments	<u><u>\$ 19,091,235</u></u>

NOTE 3 – DISAGGREGATED RECEIVABLES AND PAYABLES

The table below disaggregates the balances due from other government units and amounts reported as accounts receivable on the statement of net position under governmental activities. The receivables in the business-type activities are all due from customers for utility services provided.

	Due From Government Units	Accounts Receivable	Total
Governmental Activities:			
Receivables:			
Businesses - franchise tax	\$ -	\$ 122,819	\$ 122,819
Ambulance billing service provider	-	59,202	59,202
Customers	-	979	979
Utah State Tax Commission	1,038,756	-	1,038,756
Utah Department of Transportation	241,003	-	241,003
County - current property taxes	26,134	-	26,134
Taxpayers - unavailable taxes	<u>2,987,506</u>	<u>-</u>	<u>2,987,506</u>
	<u>4,293,399</u>	<u>183,000</u>	<u>4,476,399</u>
Business-type Activities:			
Customers	-	827,743	827,743
Gross receivables	<u>4,293,399</u>	<u>1,010,743</u>	<u>5,304,142</u>
Less: allowance for uncollectibles	-	-	-
Net total receivables	<u><u>\$ 4,293,399</u></u>	<u><u>\$ 1,010,743</u></u>	<u><u>\$ 5,304,142</u></u>

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 – DISAGGREGATED RECEIVABLES AND PAYABLES (CONTINUED)

	Accounts Payable Due To:		
	Other Governments	Vendors	Total
General Fund	\$ 22,264	\$ 72,455	\$ 94,719
Capital Improvements Fund	-	-	-
1300 N Roadway Improvement Fund	-	163,143	163,143
Nonmajor Governmental Funds	2,220	74,521	76,741
Water Fund	1,646	469,362	471,008
Sewer Fund	170,196	1,560	171,756
Solid Waste Fund	-	121,135	121,135
Storm Water Fund	-	19,191	19,191
Sewer Special Service	7,074	-	7,074
Internal Service Fund	-	13,056	13,056
 Total	 <u>\$ 203,400</u>	 <u>\$ 934,423</u>	 <u>\$ 1,137,823</u>

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CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 - CAPITAL ASSETS

The City has no leased assets reported in their business-type activities. Capital assets activity for the year ended June 30, 2023, was as follows:

GOVERNMENTAL ACTIVITIES	Balance			Balance June 30, 2023
	June 30, 2022	Additions	Deletions	
Nondepreciated Assets				
Land	\$ 10,323,630	\$ -	\$ -	\$ 10,323,630
Work in process	622,702	2,686,213	(622,701)	2,686,214
Total nondepreciated assets	<u>10,946,332</u>	<u>2,686,213</u>	<u>(622,701)</u>	<u>13,009,844</u>
Depreciated Assets				
Internal service	5,874,857	489,123	(15,319)	6,348,661
Leased equipment	30,294	-	-	30,294
Infrastructure	53,177,249	438,300	-	53,615,549
Improvements	6,003,369	2,786,528	-	8,789,897
Buildings	18,597,101	467,079	-	19,064,180
Machinery and equipment	1,544,562	186,947	-	1,731,509
Total depreciated assets	<u>85,227,432</u>	<u>4,367,977</u>	<u>(15,319)</u>	<u>89,580,090</u>
Less accumulated depreciation				
Internal service	(4,124,911)	(452,979)	15,319	(4,562,571)
Infrastructure	(17,565,538)	(1,180,013)	-	(18,745,551)
Improvements	(2,068,055)	(262,722)	-	(2,330,777)
Buildings	(6,495,451)	(479,941)	-	(6,975,392)
Machinery and equipment	(1,348,095)	(70,353)	-	(1,418,448)
Total accumulated depreciation	<u>(31,602,050)</u>	<u>(2,446,008)</u>	<u>15,319</u>	<u>(34,032,739)</u>
Less accumulated amortization				
Leased assets	(3,366)	(5,049)	-	(8,415)
Total accumulated depreciation and amortization	<u>(3,366)</u>	<u>(5,049.00)</u>	<u>-</u>	<u>(8,415)</u>
Net assets depreciated	<u>53,622,016</u>	<u>1,921,969</u>	<u>-</u>	<u>55,538,936</u>
Governmental activities capital assets, net	<u>\$ 64,568,348</u>	<u>\$ 4,608,182</u>	<u>\$ (622,701)</u>	<u>\$ 68,548,780</u>

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 - CAPITAL ASSETS (CONTINUED)

BUSINESS-TYPE ACTIVITIES	Balance			Balance
	June 30, 2022	Additions	Deletions	
Nondepreciated Assets				
Land	\$ 657,894	\$ -	\$ -	\$ 657,894
Construction in progress	158,282	356,077	(158,282)	356,077
Water rights	1,763,100	-	-	1,763,100
	<u>2,579,276</u>	<u>356,077</u>	<u>(158,282)</u>	<u>2,777,071</u>
Depreciated Assets				
Solid waste	138,524	-	-	138,524
Water system	16,770,085	513,263	-	17,283,348
Sewer system	9,398,510	329,278	-	9,727,788
Storm water improvements	11,746,293	463,784	-	12,210,077
Intangible right-to-use software agreement	-	98,513	-	98,513
	<u>38,053,412</u>	<u>1,404,838</u>	<u>-</u>	<u>39,458,250</u>
Less accumulated depreciation and amortization				
Solid waste	(50,182)	(2,454)	-	(52,636)
Water system & equipment	(5,223,730)	(314,526)	-	(5,538,256)
Sewer system & equipment	(2,372,297)	(172,958)	-	(2,545,255)
Storm water improvements	(2,716,402)	(199,452)	-	(2,915,854)
Intangible right-to-use software agreement	-	(32,838)	-	(32,838)
	<u>(10,362,611)</u>	<u>(722,228)</u>	<u>-</u>	<u>(11,084,839)</u>
Net assets depreciated	<u>27,690,801</u>	<u>682,610</u>	<u>-</u>	<u>28,373,411</u>
Business-type activities capital assets, net	<u>\$ 30,270,077</u>	<u>\$ 1,038,687</u>	<u>\$ (158,282)</u>	<u>\$ 31,150,482</u>

DEPRECIATION AND AMORTIZATION EXPENSE

	Governmental		Business	
	Types	Types	Types	Totals
General government	\$ 459,277	\$ -	\$ 459,277	
Public Safety	54,863	-	-	54,863
Highways and improvements	1,259,248	-	-	1,259,248
Parks and recreation	219,641	-	-	219,641
Internal service*	452,979	-	-	452,979
Solid waste	-	2,454	-	2,454
Water system	-	347,364	-	347,364
Sewer system	-	172,958	-	172,958
Storm water improvements	-	199,452	-	199,452
	<u>\$ 2,446,008</u>	<u>\$ 722,228</u>	<u>\$ 3,168,236</u>	

* Depreciation expense on capital assets held by the internal service fund is charged to the various functions based on their usage of the assets.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 - LONG-TERM DEBT

Changes in Long-Term Liabilities – During the year, the following changes occurred in long-term liabilities for the governmental activities:

Description	Interest Rate	Outstanding 6/30/2022	Increase	Decrease	Outstanding 6/30/2023	Current Portion
GOVERNMENTAL ACTIVITIES						
Net Pension Liability	N/A	\$ -	\$ 916,788	\$ -	\$ 916,788	N/A
Lease liability	N/A	15,261	-	(15,261)	-	-
Compensated Absences	N/A	409,254	57,426	-	466,680	N/A
TOTAL		\$ 424,515	\$ 974,214	\$ (15,261)	\$ 1,383,468	\$ -

Changes in Long-Term Liabilities – During the year, the following changes occurred in long-term liabilities for the business-type activities:

Description	Interest Rate	Outstanding 6/30/2022	Increase	Decrease	Outstanding 6/30/2023	Current Portion
BUSINESS-TYPE ACTIVITIES						
Compensated Absences	N/A	\$ 69,672	\$ 10,252	\$ -	\$ 79,924	N/A
Net Pension Liability	N/A	-	112,083	-	112,083	N/A
TOTAL		\$ 69,672	\$ 122,335	\$ -	\$ 192,007	N/A

NOTE 6 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City implemented Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements, in fiscal year 2023. The City has one software arrangement that requires recognition under GASBS No. 96. The software amortization expense is included on the Statement of Revenues, Expenses and Changes in Fund Net Position. The City now recognizes a subscription-based information technology arrangements (SBITA) liability and an intangible right-to-use asset for the accounting software.

The accounting software arrangement is a three-year agreement, initiated in fiscal year 2022 with a one-time payment of \$85,000 and a \$15,000 payment due at the end of the agreement. The agreement provides water billing services and data gathering and analysis. The City has used a 5.36% discount rate for this arrangement based on another equipment lease during the same fiscal year.

The implementation of GASB Statement No. 96 and restatement of fund balance has the following effect on net position as reported June 30, 2022:

Water Fund	
Net Position June 30, 2022	\$ 15,606,665
Adjustments:	
SBITA right-to-use asset	98,513
Prepaid expense	(62,115)
SBITA liability	<u>(13,513)</u>
Restated Net Position June 30, 2022	<u>\$ 15,629,550</u>

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

The total costs of the City's subscription asset are recorded as \$65,676, net of accumulated amortization of \$32,838.

The future subscription payments under SBITA agreements are as follows:

	Principal	Interest	Total
2024	\$ 14,237	\$ 763	\$ 15,000
	<u>\$ 14,237</u>	<u>\$ 763</u>	<u>\$ 15,000</u>

NOTE 7 – LEASE RECEIVABLE

The City is reporting a Lease Receivable of \$130,719 at June 30, 2023. For 2023, the City reported lease revenue of \$3,738 and interest revenue of \$6,145 related to lease payments received. The lease is summarized as follows:

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
Crown Castle property lease	\$ 130,719	\$ 3,738	\$ 6,145
Total lease agreements:	<u>\$ 130,719</u>	<u>\$ 3,738</u>	<u>\$ 6,145</u>

Crown Castle Lease – On October 1, 2020, the City entered into a five-year lease agreement with Atlas Tower for the lease of real property for the purpose of constructing, maintaining and operating a communications facility including tower structures. This lease was re-assigned to Crown Castle on March 17, 2022. Based on this agreement, the City is receiving monthly payments through September 30, 2025. The renewal agreement dated October 1, 2020 provided the Tenant with the option to extend the lease for an initial term of five years plus five additional five-year renewal terms thereafter.

NOTE 8 - PENSION PLANS AND RETIREMENT BENEFITS

General Information about the Pension Plan

Plan Description:

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

Defined Benefits Plans

- Public Employees Noncontributory Retirement System (Noncontributory System);
- Firefighters Retirement System (Firefighters System); are multiple employer, cost sharing, retirement systems.
- 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); and the
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) are multiple employer, cost sharing, public employee retirement systems.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. 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.

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

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age	2.0% per year all years	Up to 4%
		25 years any age*		
		20 years age 60*		
		10 years age 62*		
		4 years age 65		
Public Safety System	Highest 3 years	20 years any age	2.5% per year up to 20 years;	Up to 2.5% or 4% depending on employer
		10 years age 60	2.0% per year over 20 years	
		4 years age 65		
Firefighters System	Highest 3 years	20 years any age	2.5% per year up to 20 years;	Up to 4%
		10 years age 60	2.0% per year over 20 years	
		4 years age 65		
Tier 2 Public Employees System	Highest 5 years	35 years any age	1.5% per year all years	Up to 2.5%
		20 years age 60*		
		10 years age 62*		
		4 years age 65		
Tier 2 Public Safety and Firefighters System	Highest 5 years	25 years any age	1.5% per year to June 30, 2020;	Up to 2.5%
		20 years age 60*	2.00% per year July 1, 2020	
		10 years age 62*	to present	
		4 years age 65		

* actuarial reductions are applied

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

** 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.

Contributions 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 URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2023 are as follows:

Utah Retirement Systems	Employee	Employer	Employer 401(k)
Contributory System			
11 - Local Governmental Division Tier 1	6.00%	13.96%	-
111 - Local Government Division Tier 2	-	16.01%	0.18%
Noncontributory System			
15 - Local Government Division Tier 1	-	17.97%	-
Public Safety System			
Contributory			
23 - Other Division A with 2.5% COLA	12.29%	22.79%	-
122 - Tier 2 DB Hybrid Public Safety	2.59%	25.83%	-
Noncontributory			
43 - Other Div A with 2.5% COLA	-	34.04%	-
Firefighters Retirement System			
31 - Other Division A	15.05%	3.61%	-
132 - Tier 2 DB Hybrid Firefighters	2.59	14.08%	-
Tier 2 DC Only			
211 - Local Government	-	6.19%	10.00%
222 Public Safety	-	11.83%	14.00%
232 Firefighters	-	0.08%	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, 2023, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 273,867	-
Public Safety System	235,138	-
Firefighters System	14,406	60,061
Tier 2 Public Employees System	119,662	-
Tier 2 Public Safety and Firefighter	262,929	32,418.00
Tier 2 DC Only System	24,789	-
Tier 2 DC Public Safety and Firefighter	26,174	-
Total Contributions	\$ 956,965	\$ 92,479

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

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

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

At June 30, 2023, we reported a net pension asset of \$304,400 and a net pension liability of \$1,028,871.

	(Measurement Date): December 31, 2022				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2021	Increase (Decrease)
Noncontributory System	\$ -	\$ 290,124	0.1693910%	0.1701438%	0.0007528%
Contributory System	-	-	-	-	-
Public Safety System	-	672,784	0.5202979%	0.4943660%	0.0259319%
Firefighters System	304,360	-	1.1721039%	0.9506663%	0.2214376%
Tier 2 Public Employees System	-	34,482	0.0316672%	0.0251679%	0.0064993%
Tier 2 Public Safety and Firefighter	-	31,481	0.3773545%	0.3400742%	0.0372803%
	<u>\$ 304,360</u>	<u>\$ 1,028,871</u>			

The net pension asset and liability were measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2023, we recognized pension expense of \$489,913.

At June 30, 2023 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	\$ 181,930	\$ 13,363
Changes in assumptions	134,531	4,399
Net difference between projected and actual earnings on pension plan investments	475,314	-
Changes in proportion and differences between contributions and proportionate share of contributions	47,374	63,298
Contributions subsequent to the measurement date	486,425	-
Total	<u>\$ 1,325,574</u>	<u>\$ 81,060</u>

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

\$486,425 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (150,603)
2024	1,719
2025	197,547
2026	676,832
2027	5,039
Thereafter	\$ 27,555

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

For the year ended June 30, 2023, we recognized pension expense of \$138,124.

At June 30, 2023, 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	\$ 98,406	\$ -
Changes in assumptions	47,548	1,158
Net difference between projected and actual earnings on pension plan investments	191,369	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,318	1,989
Contributions subsequent to the measurement date	138,539	-
Total	\$ 477,180	\$ 3,147

\$138,539 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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:

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (43,718)
2024	8,460
2025	76,865
2026	293,887
2027	-
Thereafter	\$ -

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

For the year ended June 30, 2023, we recognized pension expense of \$245,961.

At June 30, 2023, 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	\$ 2,979	\$ -
Changes in assumptions	18,044	-
Net difference between projected and actual earnings on pension plan investments	155,941	-
Changes in proportion and differences between contributions and proportionate share of contributions	20,671	-
Contributions subsequent to the measurement date	118,627	-
Total	\$ 316,262	\$ -

\$118,627 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (94,733)
2024	(27,003)
2025	65,007
2026	254,365
2027	-
Thereafter	\$ -

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2023, we recognized pension expense of (\$97,005).

At June 30, 2023, 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	\$ 53,712	\$ 1,556
Changes in assumptions	37,835	-
Net difference between projected and actual earnings on pension plan investments	81,440	-
Changes in proportion and differences between contributions and proportionate share of contributions	10,106	55,301
Contributions subsequent to the measurement date	6,775	-
Total	\$ 189,868	\$ 56,857

\$6,775 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (17,187)
2024	9,602
2025	38,754
2026	95,038
2027	-
Thereafter	\$ -

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

For the year ended June 30, 2023, we recognized pension expense of \$65,971.

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,647	\$ 1,368
Changes in assumptions	11,195	88
Net difference between projected and actual earnings on pension plan investments	13,902	-
Changes in proportion and differences between contributions and proportionate share of contributions	4,744	1,188
Contributions subsequent to the measurement date	73,907	-
Total	\$ 115,395	\$ 2,644

\$73,907 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources	
2023	\$ 1,844	
2024	4,034	
2025	6,489	
2026	12,423	
2027	2,870	
Thereafter	\$ 11,186	

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

For the year ended June 30, 2023, we recognized pension expense of \$136,862. At June 30, 2023, 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	\$ 15,186	\$ 10,439
Changes in assumptions	19,909	3,153
Net difference between projected and actual earnings on pension plan investments	32,662	-
Changes in proportion and differences between contributions and proportionate share of contributions	10,535	4,820
Contributions subsequent to the measurement date	148,577	-
Total	\$ 226,869	\$ 18,412

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

\$148,577 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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,	Net Deferred Outflows (Inflows) of Resources
2023	\$ 3,191
2024	6,627
2025	10,432
2026	21,089
2027	2,169
Thereafter	\$ 16,370

Actuarial assumptions:

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 – 9.25 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB 2010 Employee Mortality Table for public employees, teachers, and public safety members, respectively.

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

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

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	35%	6.58%	2.30%
Debt Securities	20%	1.08%	0.22%
Real Assets	18%	5.72%	1.03%
Private Equity	12%	9.80%	1.18%
Absolute Return	15%	2.91%	0.44%
Cash and Cash Equivalents	0%	-0.11%	0.00%
Totals	100%		5.17%
	<u>Inflation</u>		<u>2.50%</u>
	<u>Expected arithmetic nominal return</u>		<u>7.67%</u>

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

Discount Rate:

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

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

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	\$ 1,828,460	\$ 290,124	\$ (995,236)
Public Safety System	2,166,705	672,784	(542,125)
Firefighters System	242,613	(304,400)	(748,318)
Tier 2 Public Employees System	150,668	34,482	(55,024)
Tier 2 Public Safety and Firefighter	251,993	31,481	(143,774)
Total	\$ 4,640,439	\$ 724,471	\$(2,484,477)

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

Pension plan fiduciary net position: Detailed information about the fiduciary net position of the pension plans is available in the separately issued URS financial report.

Defined Contribution Savings Plans:

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

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

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

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

<u>401(k) Plan</u>	2023	2022	2021
Employer Contributions	\$ 281,454	\$ 216,435	\$ 203,828
Employee Contributions	156,048	118,944	112,206
<u>457 Plan</u>			
Employer Contributions	-	-	-
Employee Contributions	14,544	14,856	14,596
<u>Roth IRA Plan</u>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	60,062	51,489	41,220
<u>Traditional IRA</u>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	45	-	-

NOTE 7 - POST-EMPLOYMENT BENEFITS

The only post-employment benefit offered by the City is health insurance for eighteen (18) months following termination. Employees covered and eligible are all employees who were covered by the insurance during employment. The participant is required to pay 100% of the premiums. The City is not required to contribute and therefore incurs no expense.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 - RISK MANAGEMENT

Clinton City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City maintains comprehensive insurance coverage in aggregate amounts sufficient to protect against all reasonably foreseeable liability risks. Specific liability policies purchased include automobile, general liability, property, bond (employee dishonesty), treasurer, public officials and officers, excess liability, and workman's compensation. As of June 30, 2023, there is no anticipation of unpaid claims. Therefore, a liability is not accrued. Settlement amounts have not exceeded coverage for the current year or the three prior years.

NOTE 9 - INTER-FUND TRANSFERS AND BALANCES

Occasionally money is reallocated from one fund to another fund in order for the money to be used as it was originally intended. The transfers below took place for that very purpose and will not be repaid. Such amounts for the fiscal year ended June 30, 2023 were as follows:

Transfers Out	Transfers In					
	General	Other Governmental	Internal Service	Special Sewer	Water	Total
General		\$ 1,180,991	\$ 65,000			\$ 1,245,991
Capital Improvements		1,600,000			452,729	2,052,729
Other Governmental	24,073	150,001				174,074
Sewer				10,000		10,000
Totals	<u>\$ 24,073</u>	<u>\$ 2,930,992</u>	<u>\$ 65,000</u>	<u>\$ 10,000</u>	<u>\$ 452,729</u>	<u>\$ 3,482,794</u>

NOTE 10 - REDEVELOPMENT AGENCY

The Redevelopment Agency (RDA) collected tax increments of \$0 for the downtown area. There were no tax increments paid to any other taxing agency. The RDA expended funds in the following area:

Downtown beautification costs \$ 20,813

NOTE 11 - CONTINGENT LIABILITIES

Amounts received or receivables from grantor agencies are subject to audit and adjustment by those grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 - PROPERTY TAX CALENDAR

Lien date	Jan. 1
Taxing entity notifies the county of date, time, and place of public hearing	Mar. 1
Budget officer of the entity prepares and files with the City Council a tentative budget for the next fiscal year	1 st scheduled council meeting in May
County auditor sends valuation certified tax rate and levy worksheets to each taxing entity	Jun. 8
Taxing entity must adopt a proposed tax rate, certify the rate and levy, and submit to the county auditor	Before Jun. 22
Taxing entity adopts a final tax rate if there is no increase in certified tax rate	Jun. 22
Taxing entity adopts final budget if there is no increase in certified tax rate	Jun. 22
Copy of the budget is submitted to state auditor within 30 days of adoption Payment and delinquency date	Nov. 30

NOTE 13 - COMPONENT UNIT

During the 2011 fiscal year, the City established a separate entity called Clinton PARCS which is a component unit of the City. Clinton PARCS was established to improve the quality of life for the residents of the City by enhancing community leadership, promoting liberal and fine arts, and assisting parks and recreation employees.

NOTE 14 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The City is required to keep actual expenditures below budget appropriations by fund and department. For the year ended June 30, 2023 all funds maintained expenditures below their appropriations.

The City is also required to maintain positive fund balances in each fund and has complied with this requirement apart from the 1300 N Road Improvement fund which has a deficit fund balance of (\$149,222).

REQUIRED SUPPLEMENTARY INFORMATION

CLINTON CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Taxes:				
Property taxes	\$ 2,786,002	\$ 2,786,002	\$ 2,890,812	\$ 104,810
Sales taxes	4,794,992	4,794,992	5,335,139	540,147
Utility franchise taxes	1,011,240	1,011,240	1,219,665	208,425
Fees-in-lieu of taxes	166,400	166,400	168,989	2,589
Licenses and permits	546,210	546,210	456,028	(90,182)
Intergovernmental revenue	2,673,965	2,673,965	1,501,042	(1,172,923)
Charges for services	1,745,379	1,745,379	1,643,294	(102,085)
Fines and forfeitures	138,760	138,760	137,413	(1,347)
Miscellaneous revenue	245,940	260,005	319,715	59,710
Special revenues	388,220	388,220	172,703	(215,517)
TOTAL REVENUES	14,497,108	14,511,173	13,844,800	(666,373)
EXPENDITURES				
General government:				
Legislative	120,862	122,762	121,907	855
City manager	366,915	366,915	365,562	1,353
Judicial	291,155	291,155	272,938	18,217
Professional and technical	645,329	730,077	626,029	104,048
Elections	-	-	-	-
City treasurer	594,850	601,650	599,807	1,843
Buildings	186,045	213,405	209,768	3,637
ARPA funds	1,331,385	1,331,385	-	1,331,385
Community development	555,626	555,626	524,117	31,509
Total general government	4,092,167	4,212,975	2,720,128	1,492,847
Public safety:				
Law enforcement	3,427,082	3,656,712	3,650,187	6,525
Debt service	-	-	-	-
Crossing guards	62,800	62,800	61,513	1,287
Fire protection	1,679,568	1,682,068	1,657,193	24,875
Ambulance services	464,562	464,562	449,406	15,156
Paramedics	719,211	733,611	731,273	2,338
DUI - enforcement	15,820	15,820	15,472	348
Total public safety	6,369,043	6,615,573	6,565,044	50,529
Highways and streets:				
Public works	373,869	373,869	355,246	18,623
Class "C" roads	1,049,295	1,197,703	1,124,286	73,417
Capital outlay	-	-	-	-
Total highways and streets	1,423,164	1,571,572	1,479,532	92,040

CLINTON CITY

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
EXPENDITURES (Continued)				
Parks and recreation:				
Parks	\$ 642,785	\$ 665,485	\$ 656,224	\$ 9,261
Recreation	504,967	504,967	449,469	55,498
Recreation programs	389,450	389,450	290,669	98,781
Heritage days	109,610	205,038	178,115	26,923
Total parks and recreation	1,646,812	1,764,940	1,574,477	190,463
Cemeteries	93,357	93,357	86,412	6,945
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total debt service	-	-	-	-
TOTAL EXPENDITURES	13,624,543	14,258,417	12,425,593	1,832,824
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	872,565	252,756	1,419,207	1,166,451
OTHER FINANCING SOURCES (USES)				
Appropriations from fund balance	-	-	-	-
Lease and other financing proceeds	-	-	3,738	3,738
Operating transfers in	305,155	1,170,457	24,073	(1,146,384)
Operating transfers out	(1,177,720)	(1,423,213)	(1,245,991)	177,222
TOTAL OTHER FINANCING SOURCES (USES)	(872,565)	(252,756)	(1,218,180)	(965,424)
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	201,027	201,027
Fund balance - July 1, as restated	3,793,945	3,793,945	4,158,994	-
Fund balance - June 30	\$ 3,793,945	\$ 3,793,945	\$ 4,360,021	\$ 201,027

CLINTON CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
JUNE 30, 2023
with a measurement date of December 31, 2022
Last 10 fiscal years*

	Noncontributory System	Public Safety System	Firefighters Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighters Retirement
Proportion of the net pension liability (asset)	2023 0.1693910%	0.5202979%	1.1721039%	0.0316672%	0.3773545%
	2022 0.1701438%	0.4943660%	0.9506663%	0.0251679%	0.3400742%
	2021 0.1716594%	0.4801264%	1.0189310%	0.02467220%	0.3027069%
	2020 0.1694444%	0.4376058%	1.0367178%	0.02853680%	0.3589852%
	2019 0.1685376%	0.4061546%	1.0319315%	0.28962200%	0.4121786%
	2018 0.1646383%	0.3992895%	1.1001583%	0.02738400%	0.3622222%
	2017 0.1621956%	0.3872833%	1.4730711%	0.02803710%	0.3411459%
	2016 0.1664893%	0.3778680%	1.4734620%	0.02092888%	0.4203445%
	2015 0.1671658%	0.3606163%	1.2907006%	0.0206221%	0.5474741%
Proportion share of the net pension liability (asset)	2023 \$ 290,124	\$ 672,784	\$ (304,400)	\$ 34,482	\$ 31,481
	2022 (974,432)	(401,496)	(554,444)	(10,652)	(17,188)
	2021 88,051	398,621	(284,914)	3,549	27,151
	2020 638,614	702,628	(128,574)	6,418	33,849
	2019 1,241,064	638,076	320,206	338,526	551,242
	2018 721,330	626,349	(68,711)	2,384	(4,191)
	2017 1,041,494	785,905	(11,613)	3,128	(2,961)
	2016 942,077	676,857	(26,687)	(46)	(6,141)
	2015 725,873	453,505	(73,652)	(625)	(8,099)
Covered employee payroll	2023 \$ 1,463,591	\$ 681,942	\$ 419,451	\$ 690,774	\$ 1,161,040
	2022 1,501,608	657,851	316,951	466,872	813,247
	2021 1,538,793	762,501	332,421	394,559	600,177
	2020 1,468,028	685,609	331,931	396,553	593,157
	2019 1,434,830	638,076	320,206	338,526	551,242
	2018 1,391,470	646,854	321,864	264,470	382,214
	2017 1,376,360	636,026	413,942	229,926	281,864
	2016 1,425,241	621,237	396,127	135,256	250,088
	2015 1,460,824	654,191	337,205	101,318	226,345
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2023 19.82%	98.66%	-72.57%	4.99%	2.71%
	2022 -64.89%	-61.03%	-174.93%	-2.28%	-2.11%
	2021 5.72%	52.28%	-85.71%	0.90%	4.52%
	2020 43.50%	102.48%	-38.74%	1.62%	5.71%
	2019 86.50%	163.75%	41.85%	3.66%	1.87%
	2018 51.84%	96.83%	-21.35%	0.90%	-1.10%
	2017 75.67%	123.56%	-2.81%	1.36%	-1.05%
	2016 66.10%	108.95%	-6.74%	-0.03%	-2.46%
	2015 49.7%	69.3%	-21.8%	-60.0%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	2023 97.5%	93.6%	108.4%	92.3%	96.4%
	2022 108.7%	104.2%	120.1%	103.8%	102.8%
	2021 99.2%	95.5%	110.5%	98.3%	93.1%
	2020 93.7%	90.9%	105.0%	96.5%	89.6%
	2019 87.0%	84.7%	94.3%	90.8%	95.6%
	2018 91.9%	90.2%	103.0%	97.4%	103.0%
	2017 87.3%	86.5%	100.4%	95.1%	103.6%
	2016 87.8%	87.1%	101.0%	100.2%	110.7%
	2015 90.2%	90.5%	103.5%	103.5%	120.5%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The schedule above discloses a 6-year history and will be built prospectively.

**CLINTON CITY
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS**

JUNE 30, 2023

with a measurement date of December 31, 2022

Last 10 fiscal years*

	As of fiscal year ended June 30,	Contributions in relation to the contractually required contribution				Covered employee payroll	Contributions as a percentage of covered employee payroll			
		Actuarial Determined Contributions	\$	247,114	\$	247,114	\$	-	\$	1,503,908
Noncontributory System	2014	\$	247,114	\$	247,114	\$	-	\$	1,503,908	16.43%
	2015		263,503		263,503		-		1,461,410	18.03%
	2016		249,505		249,505		-		1,350,864	18.47%
	2017		251,644		251,644		-		1,362,448	18.47%
	2018		272,623		272,623		-		1,463,584	18.63%
	2019		264,934		264,934		-		1,440,750	18.39%
	2020		277,606		277,606		-		1,515,857	18.31%
	2021		281,198		281,198		-		1,536,766	18.30%
	2022		267,258		267,258		-		1,448,922	18.45%
	2023		273,867		273,867		-		1,524,026	17.97%
Contributory System	2014	\$	27,825	\$	27,825	\$	-	\$	210,295	13.23%
	2015		30,672		30,672		-		212,115	14.46%
	2016		30,049		30,049		-		207,809	14.46%
	2017		16,505		16,505		-		114,142	14.46%
	2018		14,714		14,714		-		101,755	14.46%
	2019		14,747		14,747		-		101,986	14.46%
	2020		15,153		15,153		-		104,790	14.46%
	2021		1,486		1,486		-		10,278	14.46%
Public Safety System	2014	\$	178,272	\$	178,272	\$	-	\$	718,892	24.80%
	2015		175,738		175,738		-		625,499	28.10%
	2016		168,388		168,388		-		593,687	28.36%
	2017		183,335		183,335		-		638,132	28.73%
	2018		193,182		193,182		-		673,513	28.68%
	2019		181,896		181,896		-		642,342	28.32%
	2020		214,727		214,727		-		739,174	29.05%
	2021		226,482		226,482		-		742,407	30.51%
	2022		209,599		209,599		-		615,745	34.04%
	2023		235,138		235,138		-		744,551	31.58%
Firefighters System	2014	\$	9,559	\$	9,559	\$	-	\$	324,274	2.95%
	2015		14,155		14,155		-		370,543	3.82%
	2016		15,927		15,927		-		400,683	3.97%
	2017		14,602		14,602		-		374,999	3.89%
	2018		12,644		12,644		-		324,138	3.90%
	2019		14,842		14,842		-		323,645	4.59%
	2020		15,738		15,738		-		341,682	4.61%
	2021		14,632		14,632		-		317,399	4.61%
	2022		16,942		16,942		-		367,506	4.61%
	2023		14,406		14,406		-		399,075	3.61%

See accompanying notes to required supplementary information

CLINTON CITY
SCHEDULE OF CONTRIBUTIONS (Continued)
UTAH RETIREMENT SYSTEMS
JUNE 30, 2023
with a measurement date of December 31, 2022
Last 10 fiscal years*

	As of fiscal year ended June 30,	Contributions in relation to the contractually required contribution				Covered employee payroll	Contributions as a percentage of covered employee payroll
		Actuarial Determined Contributions		Contribution deficiency (excess)			
Tier 2 Public Employees System**	2014	\$ 8,445	\$ 8,445	\$ -	\$ 60,367	13.99%	
	2015	17,222	17,222	-	115,271	14.94%	
	2016	26,323	26,323	-	176,416	14.92%	
	2017	37,824	37,824	-	253,679	14.91%	
	2018	47,660	47,660	-	315,423	15.11%	
	2019	56,127	56,127	-	361,341	15.53%	
	2020	63,575	63,575	-	408,530	15.56%	
	2021	64,388	64,388	-	408,173	15.77%	
	2022	94,477	94,477	-	587,911	16.07%	
	2023	119,662	119,662	-	747,432	16.01%	
Tier 2 Public Safety and Firefighter System**	2014	\$ -	\$ -	\$ -	\$ -	0.00%	
	2015	-	-	-	-	0.00%	
	2016	-	-	-	-	0.00%	
	2017	-	-	-	-	0.00%	
	2018	-	-	-	-	0.00%	
	2019	-	-	-	-	0.00%	
	2020	104,303	104,303	-	585,107	17.83%	
	2021	137,815	137,815	-	677,730	20.33%	
	2022	207,676	207,676	-	1,000,980	20.75%	
	2023	262,929	262,929	-	1,287,475	20.42%	
Tier 2 Public Employees DC Only System**	2014	\$ 1,038	\$ 1,038	\$ -	\$ 18,610	5.58%	
	2015	3,459	3,459	-	51,475	6.72%	
	2016	6,017	6,017	-	89,940	6.69%	
	2017	7,944	7,944	-	117,652	6.75%	
	2018	7,697	7,697	-	115,642	6.66%	
	2019	9,059	9,059	-	135,409	6.69%	
	2020	8,865	8,865	-	132,517	6.69%	
	2021	10,042	10,042	-	150,112	6.69%	
	2022	17,921	17,921	-	267,880	6.69%	
	2023	24,789	24,789	-	400,473	6.19%	
Tier 2 Public Safety and Firefighters DC Onl System**	2014	\$ -	\$ -	\$ -	\$ -	0.00%	
	2015	-	-	-	-	0.00%	
	2016	-	-	-	-	0.00%	
	2017	1,528	1,528	-	12,915	11.83%	
	2018	1,938	1,938	-	16,384	11.83%	
	2019	614	614	-	5,114	12.00%	
	2020	7,555	7,555	-	63,863	11.83%	
	2021	11,379	11,379	-	93,496	12.17%	
	2022	15,291	15,291	-	129,259	11.83%	
	2023	26,174	26,174	-	259,299	10.09%	

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

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

CLINTON CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
UTAH RETIREMENT SYSTEMS
JUNE 30, 2023

Changes in Assumptions:

No changes were made in actuarial assumptions from the prior year's valuation.

SUPPLEMENTARY INFORMATION

CLINTON CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Capital Projects					
	Park Acquisition	800 N #1 Project	Roadway Project	800 N #2 Project	Fire Bldg Expansion	Total
ASSETS						
Cash and cash equivalents	\$ 656,663	\$ 23,649	\$ 314,207	\$ 124,987	\$ 1,488,135	\$ 2,607,641
Restricted cash	449,355	-	-	-	-	449,355
Prepaid expense	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
Total assets	\$ 1,106,018	\$ 23,649	\$ 314,207	\$ 124,987	\$ 1,488,135	\$ 3,056,996
LIABILITIES						
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	2,441	72,079	-	-	74,520
Accounts payable from restricted sources	2,220	-	-	-	-	2,220
Other accrued liabilities	-	-	-	-	-	-
Total liabilities	2,220	2,441	72,079	-	-	76,740
FUND BALANCES						
Restricted for:						
Park impact fees	449,355	-	-	-	-	449,355
Special revenue - RDA	-	-	-	-	-	-
Perpetual care	-	-	-	-	-	-
Assigned for:						
Park acquisition	654,443	-	-	-	-	654,443
Roadway projects	-	21,208	242,128	124,987	-	388,323
Special revenue - housing grant	-	-	-	-	-	-
Public safety construction	-	-	-	-	1,488,135	1,488,135
Community arts	-	-	-	-	-	-
Clinton citizen corp	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	1,103,798	21,208	242,128	124,987	1,488,135	2,980,256
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,106,018	\$ 23,649	\$ 314,207	\$ 124,987	\$ 1,488,135	\$ 3,056,996

Permanent Fund Perpetual Care	Special Revenue					Clinton Citizen Corp.	Total Nonmajor Governmental Funds
	Redevelopment Agency	Community Arts	PARCS	Total			
\$ -	\$ -	\$ 12,836	\$ 2,654	\$ 559	\$ 16,049	\$ 2,623,690	
801,920	264,856	-	-	-	264,856	1,516,131	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
\$ 801,920	\$ 264,856	\$ 12,836	\$ 2,654	\$ 559	\$ 280,905	\$ 4,139,821	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	74,520	
-	-	-	-	-	-	2,220	
-	-	-	-	-	-	-	
-	-	-	-	-	-	76,740	
-	-	-	-	-	-	449,355	
-	264,856	-	-	-	264,856	264,856	
801,920	-	-	-	-	-	801,920	
-	-	-	-	-	-	654,443	
-	-	-	-	-	-	388,323	
-	-	-	-	-	-	-	
-	-	-	-	-	-	1,488,135	
-	-	12,836	2,654	-	15,490	15,490	
-	-	-	-	559	559	559	
-	-	-	-	-	-	-	
801,920	264,856	12,836	2,654	559	280,905	4,063,081	
\$ 801,920	\$ 264,856	\$ 12,836	\$ 2,654	\$ 559	\$ 280,905	\$ 4,139,821	

CLINTON CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Capital Projects					
	Park Acquisition	800 N #1 Project	Roadway Project	800 N #2 Project	Fire Bldg Expansion	
REVENUES						
Perpetual care fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	43,135	-	11,256	-	-	54,391
Donations	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
State grants	-	-	-	-	-	-
Local grants	-	-	129,866	-	-	129,866
Fees/miscellaneous	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-
Total revenues	<u>43,135</u>	<u>-</u>	<u>141,122</u>	<u>-</u>	<u>-</u>	<u>184,257</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Highways and public improvements	-	-	394,349	-	-	394,349
Parks and recreation	99,403	-	-	-	-	99,403
Cemeteries	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	111,865	111,865
Highways and public improvements	-	126,123	1,174,185	25,013	-	1,325,321
Parks and recreation	88,506	-	-	-	-	88,506
Total expenditures	<u>187,909</u>	<u>126,123</u>	<u>1,568,534</u>	<u>25,013</u>	<u>111,865</u>	<u>2,019,444</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(144,774)</u>	<u>(126,123)</u>	<u>(1,427,412)</u>	<u>(25,013)</u>	<u>(111,865)</u>	<u>(1,835,187)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	90,739	-	1,090,253	150,000	1,600,000	2,930,992
Transfers out	-	-	(150,000)	-	-	(150,000)
Total other financing sources (uses)	<u>90,739</u>	<u>-</u>	<u>940,253</u>	<u>150,000</u>	<u>1,600,000</u>	<u>2,780,992</u>
Net change in fund balances	(54,035)	(126,123)	(487,159)	124,987	1,488,135	945,805
Fund balance - beginning of year, as restated	<u>1,157,833</u>	<u>147,331</u>	<u>729,287</u>	<u>-</u>	<u>-</u>	<u>2,034,451</u>
Fund balance - end of year	<u>\$ 1,103,798</u>	<u>\$ 21,208</u>	<u>\$ 242,128</u>	<u>\$ 124,987</u>	<u>\$ 1,488,135</u>	<u>\$ 2,980,256</u>

Permanent Fund Perpetual Care	Special Revenue					Total Nonmajor Governmental Funds
	Redevelopment Agency	Community Arts	PARCS	Clinton Citizen Corp.	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29,990	10,458	-	-	-	10,458	94,839
-	-	1,933	5,955	-	7,888	7,888
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	129,866
23,925	-	-	-	-	-	23,925
-	-	-	-	-	-	-
53,915	10,458	1,933	5,955	-	18,346	256,518
-	20,813	-	-	-	20,813	20,813
-	-	-	-	-	-	394,349
-	-	2,225	-	-	2,225	101,628
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	111,865
-	-	-	-	-	-	1,325,321
-	-	-	-	-	-	88,506
-	20,813	2,225	-	-	23,038	2,042,482
53,915	(10,355)	(292)	5,955	-	(4,692)	(1,785,964)
-	-	-	-	-	-	2,930,992
-	(4,750)	-	(19,324)	-	(24,074)	(174,074)
-	(4,750)	-	(19,324)	-	(24,074)	2,756,918
53,915	(15,105)	(292)	(13,369)	-	(28,766)	970,954
748,005	279,961	13,128	16,023	559	309,671	3,092,127
\$ 801,920	\$ 264,856	\$ 12,836	\$ 2,654	\$ 559	\$ 280,905	\$ 4,063,081

AUDITORS' REPORTS & FINDINGS

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

To the Mayor and City Council and Management of
Clinton City
2267 North 1500 West
Clinton, UT 84015

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund of Clinton City, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Clinton City's basic financial statements, and have issued our report thereon dated December 8, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clinton City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clinton City's internal control. Accordingly, we do not express an opinion on the effectiveness of Clinton 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. In addition, 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 Clinton City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted other matters that were reported to the Mayor and City Council in a separate letter dated December 8, 2023.

Purpose of this Report

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

Child Richards CPAs & Advisors

Ogden, Utah
December 8, 2023

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

To the Mayor and City Council and management of
Clinton City

Report On Compliance

We have audited Clinton City's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended June 30, 2023.

State compliance requirements were tested for the year ended June 30, 2023 in the following areas:

Budgetary Compliance	Fraud Risk Assessment
Fund Balance	Government Fees
Justice Court	Cash Management
Restricted Taxes and Related Restricted Revenue	Open and Public Meetings Act

Opinion on Compliance

In our opinion, Clinton City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2023.

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 Clinton 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 Clinton 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 Clinton 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 Clinton 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 Clinton 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 Clinton 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 Clinton 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 Clinton City's internal control over compliance. Accordingly, no such opinion is expressed.
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report On Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. We noted other matters that we reported to the Mayor and City Council in a separate letter dated December 8, 2023.

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

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

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

Child Richards CPAs & Advisors

Ogden, Utah
December 8, 2023