

**CLINTON CITY
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS
YEAR ENDED JUNE 30, 2024**

TABLE OF CONTENTS

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-7

Basic Financial Statements:

Government Wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Governmental Funds Statements:	
Balance Sheet – Governmental Funds	10
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	13
Proprietary Fund Statements:	
Statement of Net Position – Proprietary Funds	14
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds.....	15
Statement of Cash Flows – Proprietary Funds	16
Notes to the Financial Statements	17-47

Required Supplementary Information:

Schedule of Revenues, Expenditures, and Changes in Fund Balances	
Budget and Actual – General Fund	48-49
Schedule of the Proportionate Share of the Net Pension Liability	50
Schedule of Contributions	51-52
Notes to the Required Supplementary Information	53

Supplementary Information:

Combining Balance Sheet – Nonmajor funds	54
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor funds	55

Auditors' Reports and Schedule of Findings:

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	56-57
Independent Auditors' Report in Accordance with the State Compliance Audit Guide	58-60
Schedule of Findings	61

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, 2024, 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, 2024, 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 3, 2024 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 3, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CLINTON CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDING JUNE 30, 2024**

INTRODUCTION

The following is a discussion and analysis of Clinton City's financial performance and activities for the fiscal year ending June 30, 2024.

HIGHLIGHTS

Net position of the city increased by \$7,456,468. Of this amount, business-type activities increased by \$4,919,442 and governmental activities increased by \$2,537,026.

The assets of Clinton City exceeded its liabilities and deferred inflows of resources at the end of the current fiscal year by \$124,784,060 (net position). Of this amount, \$14,803,189 (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 \$9,625,604, a decrease of \$2,308,295 compared to the prior year's ending amount. Of the combined total fund balance, \$4,118,945 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, 2024, totaling \$4,516,927 is 30.95% of the General Fund total revenues for the year. The General Fund has \$181,440 of fund balance restricted for specific purposes that will be carried over into the following fiscal year and \$94,568 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, 2024**

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.

(The remainder of this page intentionally left blank)

CLINTON CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDING JUNE 30, 2024

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
	2024	2023	2024	2023	2024	2023
Cash	\$ 9,002,061	\$ 10,399,835	\$ 7,360,965	\$ 8,691,400	\$ 16,363,026	\$ 19,091,235
Other assets	7,808,917	6,174,350	685,477	609,906	8,494,394	6,784,256
Capital assets	72,999,801	68,548,780	34,643,705	31,150,482	107,643,506	99,699,262
Deferred outflows of resources	1,746,483	1,193,505	194,331	132,069	1,940,814	1,325,574
Total assets and deferred outflows	<u>91,557,262</u>	<u>86,316,470</u>	<u>42,884,478</u>	<u>40,583,857</u>	<u>134,441,740</u>	<u>126,900,327</u>
Noncurrent liabilities	1,720,666	1,383,468	237,079	206,244	1,957,745	1,589,712
Other liabilities	<u>2,682,395</u>	<u>1,222,783</u>	<u>745,251</u>	<u>1,173,823</u>	<u>3,427,646</u>	<u>2,396,606</u>
Total liabilities	<u>4,403,061</u>	<u>2,606,251</u>	<u>982,330</u>	<u>1,380,067</u>	<u>5,385,391</u>	<u>3,986,318</u>
Deferred inflows of resources	<u>4,149,486</u>	<u>3,242,530</u>	<u>122,803</u>	<u>2,343,887</u>	<u>4,272,289</u>	<u>5,586,417</u>
Total liabilities and deferred inflows	<u>8,552,547</u>	<u>5,848,781</u>	<u>1,105,133</u>	<u>3,723,954</u>	<u>9,657,680</u>	<u>9,572,735</u>
Net position:						
Net investment in capital assets	72,999,801	68,548,780	34,643,705	31,150,482	107,643,506	99,699,262
Restricted	1,913,036	1,774,587	424,329	1,188,843	2,337,365	2,963,430
Unrestricted	<u>8,091,878</u>	<u>10,144,322</u>	<u>6,711,311</u>	<u>4,520,578</u>	<u>14,803,189</u>	<u>14,664,900</u>
Total net position	<u>\$ 83,004,715</u>	<u>\$ 80,467,689</u>	<u>\$ 41,779,345</u>	<u>\$ 36,859,903</u>	<u>\$ 124,784,060</u>	<u>\$ 117,327,592</u>

The largest component of the City's net position, 86.27%, 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 1.87% of the total net position and is subject to external restrictions on how they may be used. The remaining 11.86% 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, 2024

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	June 30	June 30	June 30	June 30	June 30	June 30
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 2,565,563	\$ 2,404,250	\$ 7,766,424	\$ 7,157,947	\$ 10,331,987	\$ 9,562,197
Operating grants and contributions	1,707,637	1,499,690	-	-	1,707,637	1,499,690
Capital grants and contributions	2,757,324	3,785,084	-	-	2,757,324	3,785,084
General revenues:						
Property taxes	3,080,107	2,890,812	-	-	3,080,107	2,890,812
Sales taxes	5,342,927	5,335,139	-	-	5,342,927	5,335,139
Other taxes	1,388,224	1,388,654	-	-	1,388,224	1,388,654
Impact fees	-	-	3,635,583	752,496	3,635,583	752,496
Lease and other financing	3,738	3,738	-	-	3,738	3,738
Interest	658,502	436,809	986,879	243,864	1,645,381	680,673
Other	103,511	51,293	-	-	103,511	51,293
Total revenues	17,607,533	17,795,469	12,388,886	8,154,307	29,996,419	25,949,776
Expenses:						
General government	3,299,587	3,191,999	-	-	3,299,587	3,191,999
Public safety	6,867,394	6,113,494	-	-	6,867,394	6,113,494
Highways and public improvements	2,931,318	2,900,428	-	-	2,931,318	2,900,428
Parks and recreation	1,858,177	1,843,588	-	-	1,858,177	1,843,588
Cemeteries	84,031	84,632	-	-	84,031	84,632
Interest on debt	-	-	-	-	-	-
Sewer special service	-	-	187,209	136,643	187,209	136,643
Solid waste	-	-	1,984,953	1,962,506	1,984,953	1,962,506
Storm water	-	-	781,340	762,755	781,340	762,755
Water	-	-	2,102,836	2,082,911	2,102,836	2,082,911
Sewer	-	-	2,443,106	2,414,464	2,443,106	2,414,464
Total expenses	15,040,507	14,134,141	7,499,444	7,359,279	22,539,951	21,493,420
Transfers in (out)	(30,000)	(452,729)	30,000	452,729	-	-
Change in net position	2,537,026	3,208,599	4,919,442	1,247,757	7,456,468	4,456,356
Net position-beginning, as restated	80,467,689	77,259,090	36,859,903	35,612,146	117,327,592	112,871,236
Net position-ending	\$ 83,004,715	\$ 80,467,689	\$ 41,779,345	\$ 36,859,903	\$ 124,784,060	\$ 117,327,592

**CLINTON CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDING JUNE 30, 2024**

Governmental Activities

The activities in the governmental funds resulted in an increase in net position of \$2,537,026 for the year.

Business-Type Activities

The business-type activities increased net position by \$4,919,442. The Enterprise Funds are generating sufficient operating revenue to cover operating costs with a surplus..

Capital Assets

Clinton City added \$7,115,255 in new capital assets in governmental activities during the fiscal year including contributed capital from developers in the amount of \$1,566,637. The following assets were acquired or constructed: machinery and equipment \$64,082; \$2,606,824 in work in process; \$1,566,637 in infrastructure; \$5,116,391 in improvements; \$0 in buildings and internal service equipment and vehicles in the amount of \$310,656. The internal service equipment and vehicles were acquired in the motor pool fund.

Fund Balances

The fund balance in the General Fund increased by \$432,914. The fund balances in the other Governmental Funds decreased by \$2,741,209. The Net Position in the Enterprise Funds increased by \$4,887,003.

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 \$700,512 above the original budget and \$617,948 above the final adjusted budget. Actual General Fund expenditures before transfers were \$421,577 below the original budget and \$570,875 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, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,089,025	\$ 6,936,636	\$ 14,025,661
Restricted cash	1,913,036	424,329	2,337,365
Accounts receivable	199,273	899,005	1,098,278
Due from other governmental units	6,472,066	-	6,472,066
Lease receivable	130,681	-	130,681
Prepaid expenses	301,435	241,111	542,546
Inventory	28,569	15,175	43,744
Internal balances	507,670	(507,670)	-
Net pension asset	169,223	37,856	207,079
Capital assets:			
Land	10,323,630	657,894	10,981,524
Construction in progress	2,743,703	2,889,373	5,633,076
Infrastructure	35,245,666	29,300,500	64,546,166
Buildings	11,602,519	-	11,602,519
Improvements	11,174,800	-	11,174,800
Machinery and equipment	1,909,483	-	1,909,483
Right-of-use (SBITA)	-	32,838	32,838
Water rights	-	1,763,100	1,763,100
TOTAL ASSETS	89,810,779	42,690,147	132,500,926
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources relating to pensions	1,746,483	194,331	1,940,814
TOTAL ASSETS AND DEFERRED OUTFLOWS	91,557,262	42,884,478	134,441,740
LIABILITIES			
Accounts payable and accrued expenses	1,767,411	562,687	2,330,098
Accounts payable from restricted resources	8,566	17,299	25,865
Deposits	906,418	165,265	1,071,683
Non-current liabilities:			
Due within one year	13,461	83,000	96,461
Due in more than one year	1,707,205	154,079	1,861,284
TOTAL LIABILITIES	4,403,061	982,330	5,385,391
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	4,000,000	-	4,000,000
Deferred inflows of resources related to grants	-	95,272	95,272
Deferred inflows of resources related to leases	115,868	-	115,868
Deferred inflows of resources related to pensions	33,618	27,531	61,149
TOTAL DEFERRED INFLOWS OF RESOURCES	4,149,486	122,803	4,272,289
NET POSITION			
Net investment in capital assets	72,999,801	34,643,705	107,643,506
Restricted for:			
Debt service - revenue bond	-	-	-
Redevelopment agency	271,386	-	271,386
Perpetual care	874,303	-	874,303
Transportation impact fees	-	-	-
Class C roads	111,408	-	111,408
Park impact fees	585,907	-	585,907
Transportation tax	70,032	-	70,032
Utility impact fees	-	424,329	424,329
Unrestricted	8,091,878	6,711,311	14,803,189
TOTAL NET POSITION	\$ 83,004,715	\$ 41,779,345	\$ 124,784,060

The accompanying notes are an integral part of these statements.

CLINTON CITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT:	Program Revenues					Net (Expense) Revenue and Changes in Net Position Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
General government	\$ 3,299,587	\$ 1,063,718	\$ -	\$ -	\$ (2,235,869)	\$ -	\$ (2,235,869)	
Public safety	6,867,394	828,063	168,721	30,928	(5,839,682)	-	(5,839,682)	
Highways and improvements	2,931,318	346,117	1,538,916	2,603,900	1,557,615	-	1,557,615	
Parks and recreation	1,858,177	265,440	-	122,496	(1,470,241)	-	(1,470,241)	
Cemeteries	84,031	62,225	-	-	(21,806)	-	(21,806)	
Interest on long term debt	-	-	-	-	-	-	-	
Total governmental activities	<u>15,040,507</u>	<u>2,565,563</u>	<u>1,707,637</u>	<u>2,757,324</u>	<u>(8,009,983)</u>	<u>-</u>	<u>(8,009,983)</u>	
Business-type activities:								
Water	2,102,836	2,421,550	-	2,775,912	-	3,094,626	3,094,626	
Sewer	2,443,106	2,453,364	-	324,641	-	334,899	334,899	
Solid waste	1,984,953	2,035,089	-	-	-	50,136	50,136	
Storm water	781,340	647,028	-	535,030	-	400,718	400,718	
Sewer special service	187,209	209,393	-	-	-	22,184	22,184	
Total business-type activities	<u>7,499,444</u>	<u>7,766,424</u>	<u>-</u>	<u>3,635,583</u>	<u>-</u>	<u>3,902,563</u>	<u>3,902,563</u>	
Total primary government	<u>\$ 22,539,951</u>	<u>\$ 10,331,987</u>	<u>\$ 1,707,637</u>	<u>\$ 6,392,907</u>	<u>(8,009,983)</u>	<u>3,902,563</u>	<u>(4,107,420)</u>	
General revenues:								
Property taxes				3,080,107	-	3,080,107		
Sales taxes				5,342,927	-	5,342,927		
Franchise taxes				1,189,041	-	1,189,041		
Fees-in-lieu of taxes				199,183	-	199,183		
Miscellaneous				103,511	-	103,511		
Lease and other financing				3,738	-	3,738		
Interest earnings				658,502	986,879	1,645,381		
Transfers in (out)				(30,000)	30,000	-		
Total general revenues and transfers				<u>10,547,009</u>	<u>1,016,879</u>	<u>11,563,888</u>		
Change in net position				<u>2,537,026</u>	<u>4,919,442</u>	<u>7,456,468</u>		
Net position - beginning				<u>80,467,689</u>	<u>36,859,903</u>	<u>117,327,592</u>		
Net position - ending				<u>\$ 83,004,715</u>	<u>\$ 41,779,345</u>	<u>\$ 124,784,060</u>		

The accompanying notes are an integral part of these statements.

**CLINTON CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General Fund	Capital Improvements Fund	800 N #2 Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 4,363,453	\$ 1,442,614	\$ -	\$ 1,881,013	\$ 7,687,080
Restricted cash	181,440	-	-	1,731,596	1,913,036
Accounts receivable	199,273	-	-	-	199,273
Due from other governmental units	5,185,816	-	1,230,699	55,551	6,472,066
Interfund receivable	150,000	912,000	-	-	1,062,000
Grant receivable	-	-	-	-	-
Lease receivable	130,681	-	-	-	130,681
Inventory	28,569	-	-	-	28,569
Prepaid expenses	94,568	-	-	-	94,568
Total assets	\$ 10,333,800	\$ 2,354,614	\$ 1,230,699	\$ 3,668,160	\$ 17,587,273
LIABILITIES					
Cash overdraft	\$ -	\$ -	\$ 731,975	\$ 457,920	\$ 1,189,895
Accounts payable	159,716	-	896,706	327,469	1,383,891
Accounts payable from restricted sources	1,832	-	-	6,734	8,566
Other accrued liabilities	357,031	-	-	-	357,031
Customer deposits	906,418	-	-	-	906,418
Total liabilities	1,424,997	-	1,628,681	792,123	3,845,801
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	4,000,000	-	-	-	4,000,000
Deferred inflows related to grants	-	-	-	-	-
Deferred inflows related to leases	115,868	-	-	-	115,868
Total deferred inflows of resources	4,115,868	-	-	-	4,115,868
FUND BALANCES					
Nonspendable:					
Prepays	94,568	-	-	-	94,568
Restricted for:					
Special revenue - RDA	-	-	-	271,386	271,386
Perpetual care	-	-	-	874,303	874,303
Park impact fees	-	-	-	585,907	585,907
Transportation impact fees	-	-	-	-	-
State liquor funds	-	-	-	-	-
Class C roads	111,408	-	-	-	111,408
Transportation tax	70,032	-	-	-	70,032
Assigned to:					
Capital projects	-	2,354,614	-	1,045,716	3,400,330
Special revenue - other	-	-	-	98,725	98,725
Unassigned	4,516,927	-	(397,982)	-	4,118,945
Total fund balances	4,792,935	2,354,614	(397,982)	2,876,037	9,625,604
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,333,800	\$ 2,354,614	\$ 1,230,699	\$ 3,668,160	\$ 17,587,273

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, 2024

Total fund balances - governmental funds:	\$ 9,625,604
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	2,743,703
Infrastructure	55,182,185
Buildings	19,064,180
Improvements	13,906,288
Machinery and equipment	1,784,029
Accumulated depreciation	<u>(31,630,992)</u>
	71,373,023
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.	2,398,259
Less: Internal payable representing charges in excess of cost to business type activities.	
Prior years	(521,891)
Current year	<u>(32,439)</u>
	1,843,929
Net pension assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	155,962
Deferred outflows of resources, a consumption of net position that applies to future periods, is not shown in the fund statements.	1,703,191
Deferred inflows of resources, a use of net position that applies to future periods, is not shown in the fund statements.	(21,006)
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	(1,193,248)
Compensated absences	<u>(482,740)</u>
	(1,675,988)
Net position of governmental activities	<u><u>\$ 83,004,715</u></u>

The accompanying notes are an integral part of these statements.

CLINTON CITY
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Capital Improvements Fund	800 N #2 Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Property taxes	\$ 3,080,107	\$ -	\$ -	\$ -	\$ 3,080,107
Sales taxes	5,342,927	-	-	-	5,342,927
Franchise taxes	1,189,041	-	-	-	1,189,041
Fees-in-lieu of taxes	199,183	-	-	-	199,183
Licenses and permits	380,548	-	-	-	380,548
Intergovernmental	1,709,140	-	-	105,000	1,814,140
State grants	-	-	-	-	-
Local grants	-	-	-	899,527	899,527
Charges for services	1,792,322	-	-	-	1,792,322
Fines and forfeitures	179,009	-	-	-	179,009
Miscellaneous revenue	526,814	124,595	-	244,930	896,339
Special revenues	194,629	-	-	-	194,629
Total revenues	<u>14,593,720</u>	<u>124,595</u>	<u>-</u>	<u>1,249,457</u>	<u>15,967,772</u>
EXPENDITURES					
Current					
General government	2,820,808	-	-	7,743	2,828,551
Public safety	6,909,181	-	-	-	6,909,181
Highways and public improvements	1,272,222	-	-	265,451	1,537,673
Parks and recreation	1,603,609	-	-	44,455	1,648,064
Cemeteries	84,636	-	-	-	84,636
Debt service					
Principal	-	-	-	-	-
Interest and fees	-	-	-	-	-
Capital outlay					
General government	-	-	-	-	-
Public safety	146,810	-	-	2,083,856	2,230,666
Highways and public improvements	7,597	-	522,969	2,468,267	2,998,833
Parks and recreation	-	-	-	8,463	8,463
Cemeteries	-	-	-	-	-
Total expenditures	<u>12,844,863</u>	<u>-</u>	<u>522,969</u>	<u>4,878,235</u>	<u>18,246,067</u>
Excess (deficiency) of revenues over expenditures	<u>1,748,857</u>	<u>124,595</u>	<u>(522,969)</u>	<u>(3,628,778)</u>	<u>(2,278,295)</u>
Other financing sources (uses)					
Lease and other financing proceeds	-	-	-	-	-
Transfers in	2,654	-	-	2,718,597	2,721,251
Transfers out	(1,318,597)	(1,430,000)	-	(2,654)	(2,751,251)
Total other financing sources and uses	<u>(1,315,943)</u>	<u>(1,430,000)</u>	<u>-</u>	<u>2,715,943</u>	<u>(30,000)</u>
Net change in fund balances	432,914	(1,305,405)	(522,969)	(912,835)	(2,308,295)
Fund balances - beginning of year	4,360,021	3,660,019	124,987	3,788,872	11,933,899
Fund balances - end of year	<u>\$ 4,792,935</u>	<u>\$ 2,354,614</u>	<u>\$ (397,982)</u>	<u>\$ 2,876,037</u>	<u>\$ 9,625,604</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, 2024**

Amounts reported for governmental activities in the Statement of

Activities are different because:

Net changes in fund balances - total governmental funds	\$ (2,308,295)
---	----------------

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	\$ 5,237,962
Depreciation expense	<u>(2,172,384)</u>
	3,065,578

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	1,566,637
----------------	-----------

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).

173,248

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.

73,127

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.

Capital asset balance	(11,563)
Accumulated depreciation	<u>11,560</u>
	(3)

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.

(33,266)

Change in net position of governmental activities	<u>\$ 2,537,026</u>
---	---------------------

CLINTON CITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

Business-Type Activities - Enterprise Funds			
	Water	Sewer	Solid Waste
ASSETS AND DEFERRED OUTFLOWS			
Current assets:			
Cash and cash equivalents	\$ 4,598,573	\$ 630,471	\$ 406,263
Accounts receivable	395,196	230,058	189,914
Interfund receivable	-	220,000	-
Inventory	7,145	-	7,070
Prepaid expenses	241,111	-	-
Total current assets	<u>5,242,025</u>	<u>1,080,529</u>	<u>603,247</u>
Noncurrent assets:			
Restricted cash and cash equivalents	93,561	-	-
Net pension asset	9,691	10,170	6,636
Land	247,931	-	-
Construction in progress	2,889,373	-	-
Water stock	1,763,100	-	-
Depreciable assets	18,081,676	8,487,812	138,524
Right of use asset (SBITA)	32,838	-	-
Less: accumulated depreciation & amortization	(5,867,662)	(2,442,957)	(55,089)
Total noncurrent assets	<u>17,250,508</u>	<u>6,055,025</u>	<u>90,071</u>
Total assets	<u>22,492,533</u>	<u>7,135,554</u>	<u>693,318</u>
Deferred outflows of resources - pension	90,959	35,937	25,315
Total assets and deferred outflows of resources	<u>22,583,492</u>	<u>7,171,491</u>	<u>718,633</u>
LIABILITIES AND DEFERRED INFLOWS			
Current liabilities:			
Accounts payable	198,985	200,733	123,969
Accounts payable from restricted sources	17,299	-	-
Compensated absences	38,350	15,049	9,778
Salaries & wages payable	8,788	2,939	2,404
Interfund payable	1,062,000	-	-
Deposits	165,265	-	-
Total current liabilities	<u>1,490,687</u>	<u>218,721</u>	<u>136,151</u>
Noncurrent liabilities:			
Net pension liability	72,055	26,602	19,642
Total noncurrent liabilities	<u>72,055</u>	<u>26,602</u>	<u>19,642</u>
Deferred inflows of resources - grants	95,272	-	-
Deferred inflows of resources - pension	16,123	1,806	4,543
Total deferred inflows of resources	<u>111,395</u>	<u>1,806</u>	<u>4,543</u>
Total liabilities and deferred inflows of resources	<u>1,674,137</u>	<u>247,129</u>	<u>160,336</u>
NET POSITION			
Net investment in capital assets	17,147,256	6,044,855	83,435
Restricted - impact fees	93,561	-	-
Unrestricted	3,668,538	879,507	474,862
Total net position	<u>\$ 20,909,355</u>	<u>\$ 6,924,362</u>	<u>\$ 558,297</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds Net position of business-type activities			

The accompanying notes are an integral part of these statements.

Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Fund
Storm Water	Sewer Special Service	Total		
\$ 740,940	\$ 560,389	\$ 6,936,636	\$ 591,840	
66,629	17,208	899,005	-	
-	-	220,000	-	
960	-	15,175	-	
-	-	241,111	206,867	
<u>808,529</u>	<u>577,597</u>	<u>8,311,927</u>	<u>798,707</u>	
330,768	-	424,329	-	
10,739	620	37,856	13,261	
409,963	-	657,894	-	
-	-	2,889,373	-	
-	-	1,763,100	-	
12,806,747	1,556,605	41,071,364	6,389,340	
-	-	32,838	-	
(3,123,028)	(282,128)	(11,770,864)	(4,762,562)	
<u>10,435,189</u>	<u>1,275,097</u>	<u>35,105,890</u>	<u>1,640,039</u>	
<u>11,243,718</u>	<u>1,852,694</u>	<u>43,417,817</u>	<u>2,438,746</u>	
<u>39,652</u>	<u>2,468</u>	<u>194,331</u>	<u>43,292</u>	
<u>11,283,370</u>	<u>1,855,162</u>	<u>43,612,148</u>	<u>2,482,038</u>	
13,118	7,700	544,505	23,237	
-	-	17,299	-	
19,058	765	83,000	13,461	
3,910	141	18,182	3,252	
-	220,000	1,282,000	-	
-	-	165,265	-	
<u>36,086</u>	<u>228,606</u>	<u>2,110,251</u>	<u>39,950</u>	
<u>34,562</u>	<u>1,218</u>	<u>154,079</u>	<u>31,217</u>	
<u>34,562</u>	<u>1,218</u>	<u>154,079</u>	<u>31,217</u>	
-	-	95,272	-	
3,577	1,482	27,531	12,612	
3,577	1,482	122,803	12,612	
<u>74,225</u>	<u>231,306</u>	<u>2,387,133</u>	<u>83,779</u>	
10,093,682	1,274,477	34,643,705	1,626,778	
330,768	-	424,329	-	
784,695	349,379	6,156,981	771,481	
<u>\$ 11,209,145</u>	<u>\$ 1,623,856</u>	<u>41,225,015</u>	<u>\$ 2,398,259</u>	
		<u>554,330</u>		
		<u><u>\$ 41,779,345</u></u>		

CLINTON CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

Business-Type Activities - Enterprise Funds			
	Water	Sewer	Solid Waste
OPERATING REVENUE			
Charges for service	\$ 2,253,512	\$ 2,449,585	\$ 2,029,962
Other	168,038	3,779	5,127
Total operating revenue	<u>2,421,550</u>	<u>2,453,364</u>	<u>2,035,089</u>
OPERATING EXPENSES			
Operation and maintenance	250,857	32,380	109,579
Sewage treatment	-	1,851,043	-
Source of supply	473,118	-	-
Depreciation	329,407	157,593	2,454
Right of use amortization	32,838	-	-
General expenses	388,500	130,395	229,080
Salaries	322,973	144,099	93,252
Employee benefits	165,586	76,710	52,934
Waste collection	-	-	537,749
Waste disposal	-	-	900,856
Vehicle operation	153,578	55,998	64,981
Total operating expenses	<u>2,116,857</u>	<u>2,448,218</u>	<u>1,990,885</u>
Operating income (loss)	<u>304,693</u>	<u>5,146</u>	<u>44,204</u>
NONOPERATING REVENUE (EXPENSES)			
Impact fees	168,578	8,012	-
Interest revenue	260,120	23,487	18,997
Interest expense	-	-	-
Grants	2,234,069	-	-
Gain (loss) on sale	612,600	-	-
Total nonoperating revenue	<u>3,275,367</u>	<u>31,499</u>	<u>18,997</u>
Income (loss) before contributions	3,580,060	36,645	63,201
Transfers in (out)	30,000	-	-
Capital contributions	373,265	316,629	-
Change in net position	3,983,325	353,274	63,201
Net position - beginning	<u>16,926,030</u>	<u>6,571,088</u>	<u>495,096</u>
Net position - ending	<u>\$ 20,909,355</u>	<u>\$ 6,924,362</u>	<u>\$ 558,297</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
\$ 644,428	\$ 186,193	\$ 7,563,680	\$ 1,156,320	
2,600	23,200	202,744	4,790	
<u>647,028</u>	<u>209,393</u>	<u>7,766,424</u>		<u>1,161,110</u>
119,844	55,540	568,200	437,542	
-	89,333	1,940,376	-	
-	-	473,118	-	
207,175	22,237	718,866	461,507	
-	-	32,838	21,879	
129,978	7,127	885,080	185	
165,605	6,312	732,241	131,874	
88,554	3,458	387,242	73,668	
-	-	537,749	-	
-	-	900,856	-	
<u>77,235</u>	<u>3,525</u>	<u>355,317</u>		<u>2,972</u>
<u>788,391</u>	<u>187,532</u>	<u>7,531,883</u>		<u>1,129,627</u>
<u>(141,363)</u>	<u>21,861</u>	<u>234,541</u>		<u>31,483</u>
91,896	-	268,486	-	
42,152	29,523	374,279	18,067	
-	-	-	-	
-	-	2,234,069	-	
-	-	612,600	56,016	
<u>134,048</u>	<u>29,523</u>	<u>3,489,434</u>		<u>74,083</u>
<u>(7,315)</u>	<u>51,384</u>	<u>3,723,975</u>		<u>105,566</u>
-	-	30,000	-	
<u>443,134</u>	<u>-</u>	<u>1,133,028</u>		<u>-</u>
435,819	51,384	4,887,003	105,566	
<u>10,773,326</u>	<u>1,572,472</u>			<u>2,292,693</u>
<u>\$ 11,209,145</u>	<u>\$ 1,623,856</u>			<u>\$ 2,398,259</u>
		32,439		
		<u>\$ 4,919,442</u>		

CLINTON CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Solid		
	Water	Sewer	Waste
Cash Flows From Operating Activities			
Receipts from customers	\$ 2,396,461	\$ 2,428,518	\$ 2,016,842
Interfund services provided	-	-	-
Payments to employees	(330,063)	(143,361)	(93,449)
Payments to suppliers	(867,377)	(1,931,157)	(1,587,748)
Payments for interfund services used	(542,078)	(156,393)	(294,061)
Net cash from operating activities	<u>656,943</u>	<u>197,607</u>	<u>41,584</u>
Cash Flows From Noncapital Financing Activities			
Transfers in/(out)	30,000	-	-
Net cash from noncapital financing activities	<u>30,000</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities			
Receipts for impact fees	168,578	8,012	-
Payments on lease liability	-	-	-
Purchase of SBITA	-	-	-
Grant proceeds	-	-	-
Purchases of capital assets	(3,409,955)	-	-
Proceeds from sale of assets	612,600	-	-
Net cash from capital and related financing	<u>(2,628,777)</u>	<u>8,012</u>	<u>-</u>
Cash Flows From Investing Activities			
Interest and dividends received	260,120	23,487	18,997
Net cash from investing activities	<u>260,120</u>	<u>23,487</u>	<u>18,997</u>
Net increase (decrease in cash and cash equivalents)	(1,681,714)	229,106	60,581
Cash and cash equivalents, July 1	6,373,848	401,365	345,682
Cash and cash equivalents, June 30	<u>\$ 4,692,134</u>	<u>\$ 630,471</u>	<u>\$ 406,263</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 304,693	\$ 5,146	\$ 44,204
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	329,407	157,593	2,454
Lease amortization expense	32,838	-	-
(Increase) decrease in prepaid expenses	(9,103)	-	-
(Increase) decrease in accounts receivable	(6,834)	(22,302)	(18,247)
(Increase) decrease in interfund receivable	-	30,000	-
(Increase) decrease in inventory	13,164	-	10,538
Increase (decrease) in accounts payable	18,123	28,976	2,832
Increase (decrease) in compensated absences	(2,090)	3,897	1,342
Increase (decrease) in accrued expenses	492	(669)	47
Increase (decrease) in interfund payable	-	-	-
Increase (decrease) in net pension liability	(5,492)	(2,490)	(1,586)
Increase (decrease) in deposits	(18,255)	(2,544)	-
Total adjustments	<u>352,250</u>	<u>192,461</u>	<u>(2,620)</u>
Net cash provided (used) by operating activities	<u>\$ 656,943</u>	<u>\$ 197,607</u>	<u>\$ 41,584</u>
Noncash Investing, Capital and Financing Activities:			
Contributed capital assets from developers	\$ 373,265	\$ 316,629	\$ -

The accompanying notes are an integral part of these statements.

Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Fund
Storm Water	Sewer Service	Total		
\$ 626,310	\$ 206,983	\$ 7,675,114	\$ -	
-	-	-	1,161,110	
(168,946)	(6,432)	(742,251)	(138,589)	
(210,785)	(147,707)	(4,744,774)	(627,524)	
(207,213)	(40,652)	(1,240,397)	-	
<u>39,366</u>	<u>12,192</u>	<u>947,692</u>	<u>394,997</u>	
 - -	 - -	 30,000 30,000	 - -	
 91,896 - - - - (153,537) - (61,641)	 - - - - - - -	 268,486 - - - (3,563,492) 612,600 (2,682,406)	 - - - (310,655) 64,475 (246,180)	
 42,152 <u>42,152</u>	 29,523 <u>29,523</u>	 374,279 <u>374,279</u>	 18,067 <u>18,067</u>	
 19,877 1,051,831 <u>\$ 1,071,708</u>	 41,715 518,674 <u>\$ 560,389</u>	 (1,330,435) 8,691,400 <u>\$ 7,360,965</u>	 166,884 424,956 <u>\$ 591,840</u>	
 \$ (141,363)	 \$ 21,861	 \$ 234,541	 \$ 31,483	
 207,175 - - (20,718) - 3,684 (6,071) (75) (478) - (2,788) - <u>180,729</u>	 22,237 - - (2,410) - - 624 5 (27) (30,000) (98) - <u>(9,669)</u>	 718,866 32,838 (9,103) (70,511) 30,000 27,386 44,484 3,079 (635) (30,000) (12,454) (20,799) <u>713,151</u>	 461,507 21,879 (123,336) - - - 10,179 (3,745) (453) - (2,517) <u>363,514</u>	
 <u>\$ 39,366</u>	 <u>\$ 12,192</u>	 <u>\$ 947,692</u>	 <u>\$ 394,997</u>	
 <u>\$ 443,134</u>	 <u>\$ -</u>	 <u>\$ 1,133,028</u>	 <u>\$ -</u>	

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024

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.

800 N Road Improvement Fund - The 800 N Road Improvement fund accounts for revenues and expenses of the 800 N project.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024

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, 2024

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 \$43,744 for the year ended June 30, 2024.

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2024, \$156,659 of the City's bank balances of \$693,156 was uninsured and uncollateralized.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024

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, 2024, 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	\$ 15,817,068	\$ -	\$ 15,817,068	\$ -
Total debt securities	<u>\$ 15,817,068</u>	<u>\$ -</u>	<u>\$ 15,817,068</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, 2024 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, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2024, the City's investments had the following maturities:

<u>Investment Type</u>	<u>Fair Value</u>	Investment Maturities (in Years)		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
PTIF Investments	15,817,068	15,817,068	-	-
	15,817,068	15,817,068	-	-

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, 2024, the City's investments had the following quality ratings:

<u>Investment Type</u>	<u>Fair Value</u>	Quality Ratings			
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Unrated</u>
PTIF Investments	15,817,068	-	-	-	15,817,068
	15,817,068	-	-	-	15,817,068

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	\$ 545,870
Petty cash	88
PTIF investment	<u>15,817,068</u>
Total cash and investments	<u><u>\$ 16,363,026</u></u>

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

Unrestricted cash	\$ 14,025,661
Restricted cash for:	
Transportation impact fees	-
RDA fund	271,386
Cemetery	874,303
Park impact fees	585,907
Transportation tax	70,032
Class C roads	111,408
Utility impact fees	<u>424,329</u>
Total cash and investments	<u><u>\$ 16,363,026</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	\$ -	\$ 121,231	\$ 121,231
Ambulance billing service provider	-	77,046	77,046
Customers	-	996	996
Utah State Tax Commission	1,024,161	-	1,024,161
Due from other cities	1,230,699	-	1,230,699
Utah Department of Transportation	190,429	-	190,429
County - current property taxes	26,777	-	26,777
Taxpayers - unavailable taxes	<u>4,000,000</u>	<u>-</u>	<u>4,000,000</u>
	6,472,066	199,273	6,671,339
Business-type Activities:			
Customers	-	899,005	899,005
Gross receivables	6,472,066	1,098,278	7,570,344
Less: allowance for uncollectibles	-	-	-
Net total receivables	<u>\$ 6,472,066</u>	<u>\$ 1,098,278</u>	<u>\$ 7,570,344</u>

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 – DISAGGREGATED RECEIVABLES AND PAYABLES (CONTINUED)

	Accounts Payable Due To:		
	Other Governments	Vendors	Total
General Fund	\$ 26,711	\$ 134,837	\$ 161,548
Capital Improvements Fund	-	-	-
800 N Roadway Improvement Fund	-	896,707	896,707
Nonmajor Governmental Funds	-	342,058	342,058
Water Fund	1,646	206,782	208,428
Sewer Fund	200,336	396	200,732
Solid Waste Fund	-	123,966	123,966
Storm Water Fund	-	13,120	13,120
Sewer Special Service	7,697	-	7,697
Internal Service Fund	-	23,235	23,235
 Total	 <u>\$ 236,390</u>	 <u>\$ 1,741,101</u>	 <u>\$ 1,977,491</u>

(The remainder of this page intentionally left blank)

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024, was as follows:

GOVERNMENTAL ACTIVITIES	Balance			Balance June 30, 2024
	June 30, 2023	Additions	Deletions	
Nondepreciated Assets				
Land	\$ 10,323,630	\$ -	\$ -	\$ 10,323,630
Work in process	2,686,214	2,606,824	(2,549,335)	2,743,703
Total nondepreciated assets	13,009,844	2,606,824	(2,549,335)	13,067,333
Depreciated Assets				
Internal service	6,348,661	310,656	(269,976)	6,389,341
Leased equipment	30,294	-	(30,294)	-
Infrastructure	53,615,549	1,566,637	-	55,182,186
Improvements	8,789,897	5,116,391	-	13,906,288
Buildings	19,064,180	-	-	19,064,180
Machinery and equipment	1,731,509	64,082	(11,563)	1,784,028
Total depreciated assets	89,580,090	7,057,766	(311,833)	96,326,023
Less accumulated depreciation				
Internal service	(4,562,571)	(457,016)	257,024	(4,762,563)
Infrastructure	(18,745,551)	(1,190,969)	-	(19,936,520)
Improvements	(2,330,777)	(400,711)	-	(2,731,488)
Buildings	(6,975,392)	(486,269)	-	(7,461,661)
Machinery and equipment	(1,418,448)	(94,435)	11,560	(1,501,323)
Total accumulated depreciation	(34,032,739)	(2,629,400)	268,584	(36,393,555)
Less accumulated amortization				
Leased assets	(8,415)	-	8,415	-
Total accumulated depreciation and amortization	(8,415)	-	8,415	-
Net assets depreciated	55,538,936	4,428,366	(43,249)	59,932,468
Governmental activities capital assets, net	\$ 68,548,780	\$ 7,035,190	\$ (2,592,584)	\$ 72,999,801

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - CAPITAL ASSETS (CONTINUED)

BUSINESS-TYPE ACTIVITIES	Balance			Balance
	June 30, 2023	Additions	Deletions	
Nondepreciated Assets				
Land	\$ 657,894	\$ -	\$ -	\$ 657,894
Construction in progress	356,077	2,533,296	-	2,889,373
Water rights	1,763,100	-	-	1,763,100
	<u>2,777,071</u>	<u>2,533,296</u>	<u>-</u>	<u>5,310,367</u>
Depreciated Assets				
Solid waste	138,524	-	-	138,524
Water system	17,283,348	798,330	-	18,081,678
Sewer system	9,727,788	316,629	-	10,044,417
Storm water improvements	12,210,077	596,671	-	12,806,748
Intangible right-to-use software agreement	98,513	-	-	98,513
Total depreciated assets	<u>39,458,250</u>	<u>1,711,630</u>	<u>-</u>	<u>41,169,880</u>
Less accumulated depreciation and amortization				
Solid waste	(52,636)	(2,454)	-	(55,090)
Water system & equipment	(5,538,256)	(329,407)	-	(5,867,663)
Sewer system & equipment	(2,545,255)	(179,830)	-	(2,725,085)
Storm water improvements	(2,915,854)	(207,175)	-	(3,123,029)
Intangible right-to-use software agreement	(32,838)	(32,837)	-	(65,675)
Total	<u>(11,084,839)</u>	<u>(751,703)</u>	<u>-</u>	<u>(11,836,542)</u>
Net assets depreciated	<u>28,373,411</u>	<u>959,927</u>	<u>-</u>	<u>29,333,338</u>
Business-type activities capital assets, net	<u>\$ 31,150,482</u>	<u>\$ 3,493,223</u>	<u>\$ -</u>	<u>\$ 34,643,705</u>

DEPRECIATION AND AMORTIZATION EXPENSE

	Governmental	Business	
	Types	Types	Totals
General government	\$ 457,645	\$ -	\$ 457,645
Public Safety	88,797	-	88,797
Highways and improvements	1,401,370	-	1,401,370
Parks and recreation	224,572	-	224,572
Internal service*	457,016	-	457,016
Solid waste	-	2,454	2,454
Water system	-	362,244	362,244
Sewer system	-	157,593	157,593
Sewer special service	-	22,237	22,237
Storm water improvements	-	207,175	207,175
TOTAL	<u>\$ 2,629,400</u>	<u>\$ 751,703</u>	<u>\$ 3,381,103</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, 2024

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 6/30/2023	Increase	Decrease	Outstanding 6/30/2024	Current Portion
GOVERNMENTAL ACTIVITIES						
Net Pension Liability	N/A	\$ 916,788	\$ 307,678	\$ -	\$ 1,224,466	N/A
Compensated Absences	N/A	466,680	29,520	-	496,200	13,461
TOTAL		\$ 1,383,468	\$ 337,198	\$ -	\$ 1,720,666	\$ 13,461

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 6/30/2023	Increase	Decrease	Outstanding 6/30/2024	Current Portion
BUSINESS-TYPE ACTIVITIES						
Compensated Absences	N/A	\$ 79,924	\$ 3,076	\$ -	\$ 83,000	83,000
Net Pension Liability	N/A	112,083	41,996	-	154,079	N/A
TOTAL		\$ 192,007	\$ 45,072	\$ -	\$ 237,079	\$ 83,000

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 total costs of the City's subscription asset are recorded as \$32,838, net of accumulated amortization of \$65,675.

There are no future subscription payments under SBITA agreement.

NOTE 7 – LEASE RECEIVABLE

The City is reporting a Lease Receivable of \$130,681 at June 30, 2024. For 2024, the City reported lease revenue of \$3,738 and interest revenue of \$6,144 related to lease payments received. The lease is summarized as follows:

Lease	Lease		Lease Interest	
	Receivable	Lease Revenue	Revenue	Revenue
Crown Castle property lease	\$ 130,681	\$ 3,738	\$ 6,144	
Total lease agreements:	\$ 130,681	\$ 3,738	\$ 6,144	

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 – LEASE RECEIVABLE (CONTINUED)

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) is a multiple-employer, cost sharing, retirement system.
- Public Employees Contributory Retirement System (Contributory System) is a multiple-employer, cost sharing, retirement system.
- Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer public employee retirement system.
- Firefighters Retirement System (Firefighters System) is a multiple-employer, cost sharing, retirement systems.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple-employer cost sharing public employee retirement system.
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning 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.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

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		
Contributory System	Highest 5 years	35 years any age	1.5% per year to June 1975;	Up to 4%
		20 years age 60*	2.0% per year July 1975 to	
		10 years age 62*	present	
		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%
		10 years age 60	2.0% per year over 20 years	depending
		4 years age 65		on employer
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		

* with actuarial reductions

** 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.

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

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, 2024 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	-	17.77%	0.18%
Noncontributory System			
15 - Local Government Division Tier 1	-	17.97%	-
15 - Local Government Division Tier 2	-	16.01%	0.18%
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%	25.85%	-
Noncontributory			
43 - Other Div A with 2.5% COLA	-	34.04%	-
43 - Other Div A with 2.5% COLA Tier 2	2.59%	25.83%	-
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	-	7.95%	10.00%
215 - Local Government	-	6.19%	10.00%
222 - Public Safety	-	11.85%	14.00%
243 - 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, 2024, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 276,249	\$ -
Public Safety System	255,958	-
Firefighters System	11,109	46,314
Tier 2 Public Employees System	148,530	-
Tier 2 Public Safety and Firefighter	293,382	20,095
Tier 2 DC Only System	23,238	-
Tier 2 DC Public Safety and Firefighter	29,196	39
Total Contributions	\$ 1,037,662	\$ 66,448

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024, we reported a net pension liability of \$1,378,544 and a net pension asset of \$207,709.

	(Measurement Date): December 31, 2023			Proportionate Share December 31, 2022	Increase (Decrease)
	Net Pension Liability	Net Pension Asset	Proportionate Share		
	\$ 401,411	\$ -	0.1730545%		
Noncontributory System	\$ 401,411	\$ -	0.1730545%	0.1693910%	0.0036635%
Contributory System	-	-	-	-	-
Public Safety System	782,316	-	0.5470113%	0.5202979%	0.0267134%
Firefighters System	-	207,079	0.8823340%	1.1721039%	-0.2897699%
Tier 2 Public Employees System	59,775	-	0.0307108%	0.0316672%	-0.0009564%
Tier 2 Public Safety and Firefighter	135,042	-	0.3584956%	0.3773545%	-0.0188589%
	<u>\$ 1,378,544</u>	<u>\$ 207,079</u>			

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

For the year ended June 30, 2024, we recognized pension expense of \$848,463.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	\$ 644,900	\$ 10,197
Differences between expected and actual experience	\$ 644,900	\$ 10,197
Changes in assumptions	343,682	2,818
Net difference between projected and actual earnings on pension plan investments	301,715	-
Changes in proportion and differences between contributions and proportionate share of contributions	131,058	48,134
Contributions subsequent to the measurement date	519,459	-
Total	\$ 1,940,814	\$ 61,149

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

\$519,459 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, 2023.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 386,340
2025	283,291
2026	621,085
2027	(80,479)
2028	18,834
Thereafter	\$ 131,135

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

For the year ended June 30, 2024, we recognized pension expense of \$274,213.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 281,075	\$ -
Changes in assumptions	120,455	-
Net difference between projected and actual earnings on pension plan investments	130,535	-
Changes in proportion and differences between contributions and proportionate share of contributions	333	1,818
Contributions subsequent to the measurement date	<u>130,502</u>	-
Total	<u>\$ 662,900</u>	<u>\$ 1,818</u>

\$130,502 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, 2023.

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

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 174,833
2025	165,154
2026	245,415
2027	(54,825)
2028	-
Thereafter	\$ -

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

For the year ended June 30, 2024, we recognized pension expense of \$340,194.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 136,321	\$ -
Changes in assumptions	68,743	-
Net difference between projected and actual earnings on pension plan investments	111,981	-
Changes in proportion and differences between contributions and proportionate share of contributions	13,481	-
Contributions subsequent to the measurement date	127,842	-
Total	<u>\$ 458,368</u>	<u>\$ -</u>

\$127,842 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, 2023.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 140,898
2025	19,630
2026	218,711
2027	(48,714)
2028	-
Thereafter	\$ -

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024, we recognized pension expense of (\$16,397).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 136,148	\$ -
Changes in assumptions	21,877	-
Net difference between projected and actual earnings on pension plan investments	38,318	-
Changes in proportion and differences between contributions and proportionate share of contributions	96,534	40,760
Contributions subsequent to the measurement date	5,722	-
Total	\$ 298,599	\$ 40,760

\$5,722 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, 2023.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 51,980
2025	73,882
2026	116,456
2027	9,799
2028	-
Thereafter	\$ -

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

For the year ended June 30, 2024, we recognized pension expense of \$77,965.

At June 30, 2024, 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, 2024

NOTE 8 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,145	\$ 979
Changes in assumptions	34,215	47
Net difference between projected and actual earnings on pension plan investments	6,750	-
Changes in proportion and differences between contributions and proportionate share of contributions	6,769	1,078
Contributions subsequent to the measurement date	<u>92,952</u>	-
Total	<u>\$ 159,831</u>	<u>\$ 2,104</u>

\$92,952 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, 2023. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 5,534
2025	7,915
2026	13,669
2027	4,402
2028	5,993
Thereafter	\$ 27,261

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

For the year ended June 30, 2024, we recognized pension expense of \$172,487. At June 30, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 72,212	\$ 9,219
Changes in assumptions	98,393	2,771
Net difference between projected and actual earnings on pension plan investments	14,131	-
Changes in proportion and differences between contributions and proportionate share of contributions	13,940	4,477
Contributions subsequent to the measurement date	<u>162,440</u>	-
Total	<u>\$ 361,116</u>	<u>\$ 16,467</u>

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 - PENSION PLANS AND RETIREMENT BENEFITS (CONTINUED)

\$162,440 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, 2023.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources	
2024	\$	13,094
2025		16,709
2026		26,834
2027		8,859
2028		12,841
Thereafter	\$	103,874

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	3.5 – 9.5 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 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, 2023 valuation were based the results of an actuarial experience study for the period ending December 31, 2022.

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

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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%	6.87%	2.40%
Debt Securities	20%	1.54%	0.31%
Real Assets	18%	5.43%	0.98%
Private Equity	12%	9.80%	1.18%
Absolute Return	15%	3.86%	0.58%
Cash and Cash Equivalents	0%	0.24%	0.00%
Totals	100%		5.45%
	Inflation		2.50%
	Expected arithmetic nominal return		7.95%

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	\$ 2,083,302	\$ 401,411	\$(1,007,059)
Public Safety System	2,454,693	782,316	(580,568)
Firefighters System	247,115	(207,079)	(576,407)
Tier 2 Public Employees System	205,378	59,775	(53,140)
Tier 2 Public Safety and Firefighter	435,111	135,042	(105,018)
Total	\$ 5,425,599	\$ 1,171,465	\$(2,322,192)

CLINTON CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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>	2024	2023	2022
Employer Contributions	\$ 308,243	\$ 281,454	\$ 216,435
Employee Contributions	175,586	156,048	118,944
<u>457 Plan</u>			
Employer Contributions	-	-	-
Employee Contributions	10,858	14,544	14,856
<u>Roth IRA Plan</u>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	64,479	60,062	51,489
<u>Traditional IRA</u>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	300	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, 2024**

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, 2024, 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, 2024 were as follows:

		Transfers In		
Transfers Out	General	Other	Other	Total
		Governmental	Water Funds	
General	\$ -	\$ 1,318,597	\$ -	\$ 1,318,597
Capital Improvements	-	1,400,000	30,000	1,430,000
Other Governmental	2,654	-	-	2,654
Water	-	-	510,800	510,800
Totals	\$ 2,654	\$ 2,718,597	\$ 540,800	\$ 3,262,051

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 \$ 7,743

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, 2024

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, 2024 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 and 800 N Road Improvement fund which has a deficit fund balances of (\$473,324) and (\$397,982), respectively.

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, 2024

REVENUES	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
Taxes:				
Property taxes	\$ 2,991,736	\$ 2,991,736	\$ 3,080,107	\$ 88,371
Sales taxes	5,395,354	5,395,354	5,342,927	(52,427)
Utility franchise taxes	1,093,780	1,093,780	1,189,041	95,261
Fees-in-lieu of taxes	180,650	180,650	199,183	18,533
Licenses and permits	510,590	510,590	380,548	(130,042)
Intergovernmental revenue	1,460,650	1,543,214	1,709,140	165,926
Charges for services	1,697,998	1,697,998	1,792,322	94,324
Fines and forfeitures	126,450	126,450	179,009	52,559
Miscellaneous revenue	208,390	208,390	526,814	318,424
Special revenues	227,610	227,610	194,629	(32,981)
TOTAL REVENUES	13,893,208	13,975,772	14,593,720	617,948
EXPENDITURES				
General government:				
Legislative	132,619	132,619	128,803	3,816
City manager	387,880	387,880	377,056	10,824
Judicial	315,715	315,715	300,641	15,074
Professional and technical	631,008	631,008	576,646	54,362
Elections	39,100	39,100	24,464	14,636
City treasurer	626,195	626,195	624,148	2,047
Buildings	202,705	202,705	242,586	(39,881)
ARPA funds				-
Community development	556,815	576,815	546,464	30,351
Total general government	2,892,037	2,912,037	2,820,808	91,229
Public safety:				
Law enforcement	3,858,974	3,877,179	3,953,876	(76,697)
Debt service				-
Crossing guards	63,100	63,100	75,564	(12,464)
Fire protection	1,647,470	1,738,661	1,731,679	6,982
Ambulance services	505,181	518,383	517,375	1,008
Paramedics	782,480	782,480	760,162	22,318
DUI - enforcement	18,670	18,670	17,335	1,335
Total public safety	6,875,875	6,998,473	7,055,991	(57,518)
Highways and streets:				
Public works	359,432	359,432	359,337	95
Class "C" roads	1,112,420	1,112,420	920,482	191,938
Capital outlay	-	-	-	-
Total highways and streets	1,471,852	1,471,852	1,279,819	192,033

CLINTON CITY

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
EXPENDITURES (Continued)				
Parks and recreation:				
Parks	\$ 756,747	\$ 756,747	\$ 695,126	\$ 61,621
Recreation	614,457	614,457	512,817	101,640
Recreation programs	414,938	414,938	277,476	137,462
Heritage days	135,470	142,170	118,190	23,980
Total parks and recreation	1,921,612	1,928,312	1,603,609	324,703
Cemeteries	105,064	105,064	84,636	20,428
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total debt service	-	-	-	-
TOTAL EXPENDITURES	13,266,440	13,415,738	12,844,863	570,875
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	626,768	560,034	1,748,857	1,188,823
OTHER FINANCING SOURCES (USES)				
Appropriations from fund balance	-	-	-	-
Lease and other financing proceeds	-	-	-	-
Operating transfers in	-	-	2,654	2,654
Operating transfers out	(1,202,850)	(1,374,741)	(1,318,597)	56,144
TOTAL OTHER FINANCING SOURCES (USES)	(1,202,850)	(1,374,741)	(1,315,943)	58,798
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(576,082)	(814,707)	432,914	1,247,621
Fund balance - July 1	4,360,021	4,360,021	4,360,021	-
Fund balance - June 30	\$ 3,783,939	\$ 3,545,314	\$ 4,792,935	\$ 1,247,621

CLINTON CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
JUNE 30, 2024
with a measurement date of December 31, 2023
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)	2024	0.1730545%	0.5470113%	0.8823340%	0.0307108%	0.3584956%
	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)	2024	\$ 401,411	\$ 782,316	\$ (207,079)	\$ 59,775	\$ 135,042
	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	2024	\$ 1,591,778	\$ 781,050	\$ 336,887	\$ 793,976	\$ 1,358,355
	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	2024	25.22%	100.16%	-61.47%	7.53%	9.94%
	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	2024	96.90%	93.44%	106.79%	89.58%	89.10%
	2023	97.50%	93.60%	108.40%	92.30%	96.40%
	2022	108.70%	104.20%	120.10%	103.80%	102.80%
	2021	99.20%	95.50%	110.50%	98.30%	93.10%
	2020	93.70%	90.90%	105.00%	96.50%	89.60%
	2019	87.00%	84.70%	94.30%	90.80%	95.60%
	2018	91.90%	90.20%	103.00%	97.40%	103.00%
	2017	87.30%	86.50%	100.40%	95.10%	103.60%
	2016	87.80%	87.10%	101.00%	100.20%	110.70%
	2015	90.20%	90.50%	103.50%	103.50%	120.50%

* 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 10-year history and will be built prospectively.

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

JUNE 30, 2024

with a measurement date of December 31, 2023

Last 10 fiscal years*

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	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%
	2024	276,249	276,249	-	1,557,715	17.73%
Contributory System	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	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%
	2024	255,958	255,958	-	810,085	31.60%
Firefighters System	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%
	2024	11,109	11,109	-	307,736	3.61%

See accompanying notes to required supplementary information

CLINTON CITY
SCHEDULE OF CONTRIBUTIONS (Continued)
UTAH RETIREMENT SYSTEMS
JUNE 30, 2024
with a measurement date of December 31, 2023
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**	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%
	2024	148,530	148,530	-	928,194		16.00%
Tier 2 Public Safety and Firefighter System**	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%
	2024	293,382	293,382	-	1,436,784		20.42%
Tier 2 Public Employees DC Only System**	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%
	2024	23,238	23,238	-	375,417		6.19%
Tier 2 Public Safety and Firefighters DC Only System**	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%
	2024	29,196	29,196	-	380,964		7.66%

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

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

See accompanying notes to required supplementary information

CLINTON CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
UTAH RETIREMENT SYSTEMS
JUNE 30, 2024

Changes in Assumptions:

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

SUPPLEMENTARY INFORMATION

CLINTON CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Capital Projects					
	Park Acquisition	800 N #1 Project	Roadway Project	1300 N Project	Fire Bldg Expansion	Total
ASSETS						
Cash and cash equivalents	\$ 658,692	\$ 21,208	\$ 71,221	\$ -	\$ 1,086,718	\$ 1,837,839
Restricted cash	585,907	-	-	-	-	585,907
Prepaid expense	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
Total assets	\$ 1,244,599	\$ 21,208	\$ 71,221	\$ -	\$ 1,086,718	\$ 2,423,746
LIABILITIES						
Cash overdraft	\$ -	\$ -	\$ -	\$ 457,920	\$ -	\$ 457,920
Accounts payable	-	-	29,626	15,404	282,439	327,469
Accounts payable from restricted sources	6,734	-	-	-	-	6,734
Other accrued liabilities	-	-	-	-	-	-
Total liabilities	6,734	-	29,626	473,324	282,439	792,123
FUND BALANCES						
Restricted for:						
Park impact fees	585,907	-	-	-	-	585,907
Special revenue - RDA	-	-	-	-	-	-
Perpetual care	-	-	-	-	-	-
Assigned for:						
Park acquisition	651,958	-	-	-	-	651,958
Roadway projects	-	21,208	41,595	-	-	62,803
Special revenue - housing grant	-	-	-	-	-	-
Public safety construction	-	-	-	-	804,279	804,279
Community arts	-	-	-	-	-	-
Clinton citizen corp	-	-	-	-	-	-
Unassigned	-	-	-	(473,324)	-	(473,324)
Total fund balances	1,237,865	21,208	41,595	(473,324)	804,279	1,631,623
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,244,599	\$ 21,208	\$ 71,221	\$ -	\$ 1,086,718	\$ 2,423,746

Permanent Fund Perpetual Care	Special Revenue						Total Nonmajor Governmental Funds
	Redevelopment Agency	Community Arts	PARCS	Clinton Citizen Corp.	RAP Tax	Total	
\$ - 874,303	\$ - 271,386	\$ 11,813 -	\$ -	\$ 559 -	\$ 30,802 -	\$ 43,174 271,386	\$ 1,881,013 1,731,596
-	-	-	-	-	-	-	-
-	-	-	-	-	55,551	55,551	55,551
<u>\$ 874,303</u>	<u>\$ 271,386</u>	<u>\$ 11,813</u>	<u>\$ -</u>	<u>\$ 559</u>	<u>\$ 86,353</u>	<u>\$ 370,111</u>	<u>\$ 3,668,160</u>
 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ 457,920
-	-	-	-	-	-	-	327,469
-	-	-	-	-	-	-	6,734
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>792,123</u>
 - 874,303	 271,386	 - -	 - -	 - -	 - -	 - 271,386	 585,907 271,386
-	-	-	-	-	-	-	874,303
-	-	-	-	-	-	-	651,958
-	-	-	-	-	-	-	62,803
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	804,279
-	-	11,813	-	-	-	11,813	11,813
-	-	-	-	559	86,353	86,912	86,912
-	-	-	-	-	-	-	(473,324)
<u>874,303</u>	<u>271,386</u>	<u>11,813</u>	<u>-</u>	<u>559</u>	<u>86,353</u>	<u>370,111</u>	<u>2,876,037</u>
 <u>\$ 874,303</u>	 <u>\$ 271,386</u>	 <u>\$ 11,813</u>	 <u>\$ -</u>	 <u>\$ 559</u>	 <u>\$ 86,353</u>	 <u>\$ 370,111</u>	 <u>\$ 3,668,160</u>

CLINTON CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Capital Projects					
	Park Acquisition	800 N #1 Project	Roadway Project	1300 N Project	Fire Bldg Expansion	Total
REVENUES						
Perpetual care fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	62,235	-	8,455	-	-	70,690
Donations	-	-	-	-	-	-
Intergovernmental	-	-	105,000	-	-	105,000
State grants	-	-	-	-	-	-
Local grants	-	-	-	899,527	-	899,527
Fees/miscellaneous	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-
Total revenues	62,235	-	113,455	899,527	-	1,075,217
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and public improvements	-	-	265,451	-	-	265,451
Parks and recreation	42,201	-	-	-	-	42,201
Cemeteries	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	2,083,856	2,083,856
Highways and public improvements	-	-	1,244,638	1,223,629	-	2,468,267
Parks and recreation	8,463	-	-	-	-	8,463
Total expenditures	50,664	-	1,510,089	1,223,629	2,083,856	4,868,238
Excess (deficiency) of revenues over (under) expenditures	11,571	-	(1,396,634)	(324,102)	(2,083,856)	(3,793,021)
OTHER FINANCING SOURCES (USES)						
Transfers in	122,496	-	1,196,101	-	1,400,000	2,718,597
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	122,496	-	1,196,101	-	1,400,000	2,718,597
Net change in fund balances	134,067	-	(200,533)	(324,102)	(683,856)	(1,074,424)
Fund balance - beginning of year	1,103,798	21,208	242,128	(149,222)	1,488,135	2,706,047
Fund balance - end of year	\$ 1,237,865	\$ 21,208	\$ 41,595	\$ (473,324)	\$ 804,279	\$ 1,631,623

Permanent Fund Perpetual Care	Special Revenue						Total Nonmajor Governmental Funds
	Redevelopment Agency	Community Arts	PARCS	Clinton Citizen Corp.	RAP Tax	Total	
\$ - 44,883	\$ - 14,273	\$ - -	\$ - -	\$ - -	\$ - 145	\$ - 14,418	\$ - 129,991
-	-	1,231	-	-	-	1,231	1,231
-	-	-	-	-	-	-	105,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	899,527
27,500	-	-	-	-	86,208	86,208	113,708
-	-	-	-	-	-	-	-
72,383	14,273	1,231	-	-	86,353	101,857	1,249,457
- 7,743	-	-	-	-	-	7,743	7,743
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	265,451
- 2,254	-	-	-	-	-	2,254	44,455
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,083,856
-	-	-	-	-	-	-	2,468,267
-	-	-	-	-	-	-	8,463
- 7,743	2,254	-	-	-	-	9,997	4,878,235
72,383	6,530	(1,023)	-	-	86,353	91,860	(3,628,778)
-	-	-	-	-	-	-	2,718,597
-	-	-	(2,654)	-	-	(2,654)	(2,654)
-	-	-	(2,654)	-	-	(2,654)	2,715,943
72,383	6,530	(1,023)	(2,654)	-	86,353	89,206	(912,835)
801,920	264,856	12,836	2,654	559	-	280,905	3,788,872
\$ 874,303	\$ 271,386	\$ 11,813	\$ -	\$ 559	\$ 86,353	\$ 370,111	\$ 2,876,037

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, 2024, 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 3, 2024.

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 3, 2024.

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 3, 2024

C|R
CHILD RICHARDS
— CPAs & ADVISORS —
**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, 2024.

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

Budgetary Compliance

Fraud Risk Assessment

Fund Balance

Government Fees

Justice Court

Restricted Taxes and Related Restricted Revenue

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, 2024.

Basis for Opinion

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

We are required to be independent of 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.

Other Matters

The results of our auditing procedures disclosed two instances of noncompliance, which is required to be reported in accordance with the State Compliance Audit Guide and which is described in the accompanying schedule of findings and recommendations as items 2024-1 and 2024-2. Our opinion on compliance is not modified with respect to this matter.

Clinton City's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings. Clinton City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 3, 2024.

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 3, 2024

**CLINTON CITY
SCHEDULE OF FINDINGS
JUNE 30, 2024**

2024-01: Budgetary Compliance – Expenditures

Criteria: Per state compliance, total expenditures by fund or department should not exceed the amounts appropriated in the final budget.

Condition: Solid Waste fund expenditures exceeded the amounts appropriated in the final adopted budget by \$23,699. Also, the public safety department expenditures exceeded the final department budget by \$57,518.

Cause: Expenditures exceeded the amounts budgeted for fiscal year 2024.

Effect: There is no effect on the financial statements. The City is noncompliant with the Utah Code.

Recommendation: We recommend that the City review and ensure that expenditures are not exceeding the amounts budgeted. If expenditures do exceed amounts budgeted, we recommend that the budget be amended by the City council.

Management's Response: Turnover within the organization led to this oversight on the budget. The City has already setup processes to track the budget throughout the year so that either expenditures do not exceed budgeted amounts or budget amendments will be performed throughout the year to ensure budgets meet or exceed expenditures.

2024-02: Deficit Fund Balance

Criteria: Per state compliance, any fund the City has can't have a deficit fund balance in the year under audit.

Condition: The 800 N project fund and the 1300 N project fund had deficit fund balances at the end of the year under audit.

Cause: Expenditures exceeded the revenues in the funds.

Effect: There is no effect on the financial statements. The City is noncompliant with the Utah Code.

Recommendation: We recommend that the City review and ensure that expenditures are not exceeding the amounts of revenue received in the fund. With these two particular funds, we recommend the City make the necessary budget amendments to remedy the fund balance deficits. If expenditures do exceed amounts of revenue, we recommend that the budget be amended by the City council.

Management's Response: Turnover within the organization led to this oversight. The City has already setup processes to track revenues and expenditures throughout the year to ensure revenues meet or exceed expenditures within each fund.