



FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

With Report of

Independent Certified Public Accountants

City of Santa Clara
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June 30, 2024

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Independent Auditor's Report

The Honorable Mayor and
Members of the City Council
Santa Clara City, Utah

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Santa Clara City, Utah, 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 (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Santa Clara City, Utah 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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Santa Clara City, Utah'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 Santa Clara City, Utah'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 Management's Discussion and Analysis and the other Required Supplementary Information, as listed in the table of contents 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 12, 2024 on our consideration of Santa Clara City, Utah's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Santa Clara City, Utah's internal control over financial reporting and compliance.

HintonBurdick, PLLC

HintonBurdick, PLLC

St. George, UT

November 12, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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City of Santa Clara
Management's Discussion and Analysis
June 30, 2024

As management of the City of Santa Clara (the City), we offer readers of the City's financial statements this narrative overview and analysis of financial activities of the City for the fiscal year ended June 30, 2024.

FINANCIAL HIGHLIGHTS

- *Total net position for the City as a whole increased by \$8,765,555
- *Total unrestricted net position for the City as a whole increased by \$317,686
- *Total net position for governmental activities increased by \$3,671,226
- *Total net position for business-type activities increased by \$5,094,329

BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the City of Santa Clara. The basic financial statements comprise three components: (1) government wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statement of activities is presented on two pages. The first page reports the extent to which each function or program is self-supporting through fees and intergovernmental aid. The second page identifies the general revenues of the City available to cover any remaining costs of the functions or programs.

City of Santa Clara
Management's Discussion and Analysis
June 30, 2024

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

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

The City maintains two major governmental funds, the general fund and the impact fees special revenue fund.

The City adopts an annual appropriated budget for all its funds. A budgetary comparison schedule has been provided to demonstrate legal compliance with the adopted budget for the general fund.

The basic governmental fund financial statements can be found later in this report; see Table of Contents.

Proprietary funds. The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses four enterprise funds to account for the operations of the water, sewer, electric, and storm water utilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise funds are considered major funds of the City.

The proprietary fund financial statements can be found later in this report; see Table of Contents.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are reported later in this report; see Table of Contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City.

City of Santa Clara
Management's Discussion and Analysis
June 30, 2024

FINANCIAL ANALYSIS

City of Santa Clara's Net Position

	Governmental Activities		Business-type Activities		Total	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Current and other assets	\$ 11,314,293	11,320,859	11,397,967	10,135,879	22,712,260	21,456,738
Net capital assets	21,723,465	18,866,177	30,956,442	27,707,983	52,679,907	46,574,160
Deferred outflows of resources	797,598	549,569	300,569	207,100	1,098,167	756,669
Total assets and deferred outflows	33,835,356	30,736,604	42,654,978	38,050,962	76,490,334	68,787,566
Long-term debt outstanding	4,025,730	4,356,899	9,889,000	10,760,003	13,914,730	15,116,902
Other liabilities	1,415,777	1,316,684	1,455,877	1,084,506	2,871,655	2,401,190
Deferred inflows of resources	1,254,321	1,594,720	14,022	4,704	1,268,343	1,599,424
Total liabilities and deferred inflows	6,695,828	7,268,304	11,358,899	11,849,212	18,054,728	19,117,516
Net position:						
Net investment in capital assets	17,697,735	14,509,277	21,067,442	16,947,980	38,765,178	31,457,257
Restricted	5,042,744	4,367,003	5,777,243	5,313,033	10,819,987	9,680,036
Unrestricted	4,399,048	4,592,020	4,451,394	3,940,736	8,850,442	8,532,756
Total net position	\$ 27,139,528	23,468,301	31,296,079	26,201,749	58,435,605	49,670,049

As noted earlier, net position may serve over time as a useful indicator of financial position. Total assets and deferred outflows of resources exceeded total liabilities and deferred inflow of resources at the close of the year by \$58,435,605, an increase of \$8,765,555 from the previous year. This change is equivalent to the net income for the year, in private sector terms.

Total unrestricted net position at the end of the year is \$8,850,442 which represents an increase of \$317,686 from the previous year. Unrestricted net position are those resources available to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

The amount of current and other assets represent the amounts of cash and receivables on hand at the end of each year. Other liabilities are the amounts of current and other liabilities due, at year end, for goods and services acquired.

Changes in capital assets are the result of the difference, in the current year, of the cost of acquisition of capital assets and any depreciation charges on capital assets. Change in long-term debt is the difference in the amount of debt issued and that which has been paid during the year.

City of Santa Clara
Management's Discussion and Analysis
June 30, 2024

City of Santa Clara's Change in Net Position

	Governmental Activities		Business-type Activities		Total	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Program revenues:						
Charges for services	\$ 4,390,433	3,507,932	12,292,751	12,713,114	16,683,184	16,221,046
Operating grants	1,201,262	694,698	-	-	1,201,262	694,698
Capital grants	2,931,105	1,158,243	3,800,890	3,103,102	6,731,994	4,261,345
General revenues:						
Taxes	4,632,349	4,512,865	-	-	4,632,349	4,512,865
Other revenues	1,019,220	716,212	304,375	197,345	1,323,595	913,557
Total revenues	14,174,368	10,589,949	16,398,016	16,013,561	30,572,384	26,603,510
Expenses:						
General government	1,325,673	1,615,752	-	-	1,325,673	1,615,752
Public safety	6,121,532	4,737,438	-	-	6,121,532	4,737,438
Streets and public works	1,173,598	787,620	-	-	1,173,598	787,620
Parks and recreation	1,643,991	1,582,105	-	-	1,643,991	1,582,105
Community development	208,088	103,510	-	-	208,088	103,510
Interest on long-term debt	80,260	104,720	-	-	80,260	104,720
Water	-	-	2,350,576	2,208,947	2,350,576	2,208,947
Sewer	-	-	1,029,456	949,535	1,029,456	949,535
Electric	-	-	7,210,857	8,754,391	7,210,857	8,754,391
Storm water	-	-	662,797	573,990	662,797	573,990
Total expenses	10,553,142	8,931,145	11,253,686	12,486,862	21,806,829	21,418,007
Excess (deficiency) before transfers	3,621,226	1,658,804	5,144,329	3,526,699	8,765,555	5,185,503
Transfers in (out)	50,000	55,000	(50,000)	(55,000)	-	-
Change in net position	\$ 3,671,226	1,713,804	5,094,329	3,471,699	8,765,555	5,185,503

For the City as a whole, total revenues increased by \$3,968,874 compared to the previous year, while total expenses increased by \$388,822. The total net change of \$8,765,555 is, in private sector terms, the net income for the year which is \$3,580,052 more than the previous year.

Governmental activities revenues of \$14,174,368 is an increase of \$3,584,419 from the previous year. This is primarily due to an increase in capital contributions and interest income during the year. Governmental activities expenses of \$10,553,142 is an increase of \$1,621,997 from general government expenses decreased during the year, all other department expenses increased.

Business-type activities revenue of \$16,398,016 is an increase of \$384,455 from the previous year. Service revenues decreased by \$420,363 and capital grants increased by \$697,788. Business-type activities expenses of \$11,253,686 is a decrease of \$1,233,176 from the previous year. All department expenses increased compared to the prior year, with the exception of the electric department due to decreased power costs.

City of Santa Clara
Management's Discussion and Analysis
June 30, 2024

BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

Some of the more significant changes in fund balances and fund net position, and any restrictions on those amounts, is described below:

General Fund

The fund balance of \$3,489,327 reflects a decrease of \$83,346 from the previous year. Total revenues increased by \$1,267,883. Tax revenues, including property taxes and sales taxes, increased by \$119,484. Intergovernmental revenue increased by \$85,742. Revenues from charges for services increased by \$1,046,311. Licenses and permits revenue decreased by \$267,593. All other revenues increased \$283,939.

Total expenditures increased by \$604,3600. General government expenditures decreased by \$306,427, public safety expenditures increased by \$521,928, streets and public works expenditures increased by \$320,656, parks and recreation expenditures increased by \$54,608, community development increased by \$103,081. Debt service expenditures decreased by \$89,488.

Transfers in from the water and storm water funds amounted to \$50,000. Transfers out to the capital projects fund amounted to \$1,060,000.

Restricted fund balance amounted to \$960,765, and fund balance assigned for capital projects amounted to \$10,887, resulting in an unassigned fund balance of \$2,517,675.

Impact Fees Special Revenue Fund

The fund balance of \$4,081,979 reflects an increase of \$529,381 from the previous year. This increase was primarily a result of a \$818,261 in impact fees revenue.

Water Fund

The change in net position (income) was \$1,746,401, which was \$761,432 more than the prior year's change in net position. This increase was primarily a result of capital contributions of \$1,104,699 Net position restricted for debt service and construction is \$1,817,334. Unrestricted net position amounts to \$716,252.

Sewer Fund

The change in net position (net income) was \$595,437, which was \$64,251 more than the previous year's net income. Net position restricted for construction was \$393,756. Unrestricted net position amounts to \$1,765,501.

Electric Fund

The change in net position (net income) was \$2,188,395, which was \$607,995 more than the previous year's change in net position. The amount restricted for construction was \$3,270,329. Unrestricted net position amounts to \$1,795,706.

Storm Water Fund

The change in net position (net income) was \$564,097, which was \$188,954 less than the previous year's net income. Net position restricted for construction was \$259,441. Unrestricted net position amounts to \$173,935.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues for the current year, exclusive of transfers and fund balance appropriations, were originally budgeted in the amount of \$9,324,860. Subsequent amendments resulted in a final budget of \$9,854,788. Actual revenues, excluding transfers, amounted to \$10,432,160.

City of Santa Clara
Management's Discussion and Analysis
June 30, 2024

GENERAL FUND BUDGETARY HIGHLIGHTS (continued)

Expenditures for the current year, excluding transfers and budgeted increases in fund balance, were originally budgeted in the amount of \$9,324,860. This amount was amended in the final budget to \$9,904,788. Actual expenditures amounted to \$9,520,219.

Actual transfers in amounted to \$50,000. Transfers out amounted to \$1,060,000. These were equal to the final budgeted amounts for transfers in and transfer out.

CAPITAL ASSETS AND DEBT ADMINISTRATION

City of Santa Clara's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Capital Assets:						
Land and water rights	\$ 2,091,942	2,091,942	1,487,859	1,487,859	3,579,801	3,579,801
Buildings	7,552,192	7,552,192	385,260	385,260	7,937,452	7,937,452
Improvements	11,293,250	10,210,837	-	-	11,293,250	10,210,837
Water system	-	-	20,983,683	19,407,375	20,983,683	19,407,375
Sewer systems	-	-	3,288,861	2,804,258	3,288,861	2,804,258
Electric system	-	-	22,211,102	20,931,540	22,211,102	20,931,540
Storm water system	-	-	5,790,109	5,034,252	5,790,109	5,034,252
Infrastructure	34,981,996	32,113,145	-	-	34,981,996	32,113,145
Machinery and equip	1,888,198	1,760,354	1,804,415	1,725,265	3,692,614	3,485,619
Vehicles	1,571,533	1,571,533	1,795,396	1,795,396	3,366,929	3,366,929
Office equipment	944,905	703,729	-	-	944,905	703,729
Artwork	198,491	198,491	-	-	198,491	198,491
Work in progress	83,349	85,584	1,412,038	586,759	1,495,387	672,343
Total capital assets	60,605,856	56,287,808	59,158,722	54,157,963	119,764,579	110,445,771
Less accumulated depreciation	(38,882,391)	(37,421,631)	(28,202,280)	(26,449,981)	(67,084,671)	(63,871,612)
Net capital assets	\$ 21,723,465	18,866,177	30,956,442	27,707,982	52,679,907	46,574,159

The total amount of capital assets, net of depreciation, of \$52,679,907 is an increase of \$6,105,749 from the previous year.

Governmental activities capital assets, net of depreciation, of \$21,723,465 is an increase of \$2,857,288 from the previous year.

Business-type activities capital assets, net of depreciation, of \$30,956,442 is an increase of \$3,248,460 from the previous year.

Additional information regarding capital assets may be found in the notes to financial statements.

City of Santa Clara
Management's Discussion and Analysis
June 30, 2024

City of Santa Clara's Outstanding Long-term Obligations

	Current Year	Previous Year
Governmental activities:		
2021 Sales Tax Revenue Bonds	\$ 1,827,000	1,963,000
2019 Lease Revenue Refunding Bonds	2,168,000	2,355,000
Lease liabilities	30,730	38,899
Compensated absences	126,602	113,426
Net pension liability	394,385	239,776
Total governmental	\$ 4,546,717	4,710,101
Business-type activities:		
2021 Electric Revenue Refunding Bonds	\$ 2,485,000	2,854,000
2021B Electric Revenue Bonds	2,441,000	2,490,000
2018 Sewer Truck Loan	-	71,003
2012 Water and Storm Water Revenue Bonds	798,000	1,009,000
2012 E & F Water Revenue Refunding Bonds	4,165,000	4,336,000
Less bond discounts	(14,423)	(19,230)
Compensated absences	86,012	93,203
Net pension liability	148,619	90,358
Total business-type	\$ 10,109,208	10,924,334
Total outstanding long-term obligations	\$ 14,655,925	15,634,435

Differences represent the amount of principal repaid during the year. Additional information regarding the long-term liabilities may be found in the notes to financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

No significant economic changes that would affect the City are expected for the next year. Budgets have been set on essentially the same factors as the current year being reported.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Santa Clara's finances for all those with an interest in the City's finances and to show the City's accountability for the money it receives. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the City Manager, 2603 Santa Clara Drive, Santa Clara, Utah 84765.

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BASIC FINANCIAL STATEMENTS

City of Santa Clara
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Current assets:			
Cash and cash equivalents	\$ 4,093,151	2,712,825	6,805,976
Accounts receivable, net	1,536,581	2,042,854	3,579,434
Internal balances	(23,500)	23,500	-
Inventory & prepaids	-	574,245	574,245
Total current assets	5,606,231	5,353,424	10,959,655
Non-current assets:			
Restricted cash and cash equivalents	5,635,816	5,984,894	11,620,709
Assessments receivable	-	18,000	18,000
Bond discounts (net)	-	14,423	14,423
Capital assets:			
Not being depreciated	2,175,291	2,899,897	5,075,188
Net of accumulated depreciation	19,548,174	28,056,546	47,604,719
Net pension asset	72,246	27,226	99,472
Total non-current assets	27,431,527	37,000,985	64,432,511
Total assets	33,037,758	42,354,409	75,392,167
Deferred outflows of resources - pensions	797,598	300,569	1,098,167
Total assets and deferred outflows of resources	\$ 33,835,356	42,654,978	76,490,334
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 152,788	879,212	1,032,000
Accrued liabilities	124,309	60,633	184,942
Accrued interest payable	25,312	73,750	99,062
Customer deposits and security holdings	592,382	207,651	800,033
Long-term debt due within one year	338,673	815,000	1,153,673
Total current liabilities	1,233,464	2,036,247	3,269,710
Non-current liabilities:			
Compensated absences	126,602	86,012	212,614
Long-term debt due after one year	3,687,056	9,074,000	12,761,056
Net pension liability	394,385	148,619	543,004
Total non-current liabilities	4,208,043	9,308,631	13,516,674
Total liabilities	5,441,507	11,344,877	16,786,384
Deferred inflows of resources:			
Property taxes	1,197,569	-	1,197,569
Leases	19,545	-	19,545
Cares act	-	-	-
Pensions	37,207	14,022	51,229
Total deferred inflows of resources	1,254,321	14,022	1,268,343
Total liabilities and deferred inflows of resources	6,695,828	11,358,899	18,054,728
NET POSITION:			
Net investment in capital assets	17,697,735	21,067,442	38,765,178
Restricted for debt service	182,095	871,733	1,053,828
Restricted for construction	4,860,649	4,905,510	9,766,158
Unrestricted	4,399,048	4,451,394	8,850,442
Total net position	27,139,528	31,296,079	58,435,606
Total liabilities, deferred inflows of resources and net position	\$ 33,835,356	42,654,978	76,490,334

The notes to the financial statements are an integral part of this statement.

City of Santa Clara
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

FUNCTIONS/PROGRAMS:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue (To Next Page)
Primary government:					
Governmental activities:					
General government	\$ 1,325,673	933,754	79,907	-	(312,013)
Public safety	6,121,532	2,168,045	404,961	96,147	(3,452,379)
Streets, sanitation and public works	1,173,598	931,967	476,394	2,617,008	2,851,771
Parks, recreation and public property	1,643,991	242,174	240,000	217,950	(943,867)
Community and economic developmen	208,088	114,493	-	-	(93,595)
Interest on long-term debt	80,260	-	-	-	(80,260)
Total governmental activities	10,553,142	4,390,433	1,201,262	2,931,105	(2,030,343)
Business-type activities:					
Water	2,350,576	2,699,105	-	1,353,014	1,701,543
Sewer	1,029,456	1,077,412	-	528,326	576,282
Electric	7,210,857	7,915,527	-	1,283,601	1,988,270
Storm water	662,797	600,707	-	635,948	573,859
Total business-type activities	11,253,686	12,292,751	-	3,800,890	4,839,954
Total primary government	\$ 21,806,829	16,683,184	1,201,262	6,731,994	2,809,611

(continued on next page)

City of Santa Clara
STATEMENT OF ACTIVITIES (continued)
For the Year Ended June 30, 2024

	Governmental Activities	Business-type Activities	Total
CHANGES IN NET POSITION:			
Net (expense) revenue (from previous page)	\$ (2,030,343)	4,839,954	2,809,611
General revenues and transfers:			
Property taxes	1,262,327	-	1,262,327
Sales tax	2,390,271	-	2,390,271
Other taxes	979,751	-	979,751
Unrestricted investment earnings	680,726	284,375	965,101
Gain (loss) on disposal of assets	14,713	20,000	34,713
Miscellaneous	323,781	-	323,781
Transfers	50,000	(50,000)	-
Total general revenues	5,701,569	254,375	5,955,944
Change in net position	3,671,226	5,094,329	8,765,555
Net position - beginning	23,468,302	26,201,749	49,670,051
Net position - ending	\$ 27,139,528	31,296,079	58,435,606

The notes to the financial statements are an integral part of this statement.

City of Santa Clara
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	General Fund	Impact Fees Fund	Nonmajor Governmental Special Revenue Cares/ARPA	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,509,003	-	-	1,584,148	4,093,151
Receivables:					
Customer accounts	211,251	-	-	-	211,251
Property taxes	1,203,888	-	-	-	1,203,888
Due from other governments	100,817	-	-	-	100,817
Leases	20,624	-	-	-	20,624
Restricted cash and cash equivalents	1,553,146	4,082,669	-	-	5,635,816
TOTAL ASSETS	\$ 5,598,730	4,082,669	-	1,584,148	11,265,547
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Liabilities:					
Accounts payable	\$ 152,098	690	-	-	152,788
Accrued liabilities	124,309	-	-	-	124,309
Customer deposits	133,076	-	-	-	133,076
Security holdings	459,306	-	-	-	459,306
Due to other funds	23,500	-	-	-	23,500
Total liabilities	892,288	690	-	-	892,978
Deferred inflows of resources:					
Property taxes	1,197,569	-	-	-	1,197,569
Leases	19,545	-	-	-	19,545
Cares act	-	-	-	-	-
Total deferred inflows of resources	1,217,114	-	-	-	1,217,114
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,109,403	690	-	-	2,110,093
FUND BALANCES:					
Restricted for:					
Impact fees	-	4,081,979	-	-	4,081,979
RAP taxes	778,670	-	-	-	778,670
Debt service	182,095	-	-	-	182,095
Assigned for:					
Capital projects	10,887	-	-	1,584,148	1,595,036
Unassigned	2,517,675	-	-	-	2,517,675
TOTAL FUND BALANCES	3,489,327	4,081,979	-	1,584,148	9,155,454
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,598,730	4,082,669	-	1,584,148	11,265,547

The notes to the financial statements are an integral part of this statement.

City of Santa Clara
**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**
For the Year Ended June 30, 2024

	General Fund	Impact Fees Fund	Nonmajor Governmental Special Revenue Cares/ARPA	Capital Projects Fund	Total Governmental Funds
REVENUES:					
Taxes:					
Property	\$ 1,262,327	-	-	-	1,262,327
Sales	2,390,271	-	-	-	2,390,271
Other taxes	979,751	-	-	-	979,751
License and permits	388,376	-	-	-	388,376
Intergovernmental revenues	586,237	-	360,025	240,000	1,186,262
Charges for services	3,586,298	-	-	-	3,586,298
Fines and forfeitures	430,760	-	-	-	430,760
Interest	484,358	196,367	-	-	680,726
Miscellaneous revenue	323,781	-	-	-	323,781
Total revenues	10,432,160	196,367	360,025	240,000	11,228,552
EXPENDITURES:					
General government	1,212,468	-	-	-	1,212,468
Public safety	5,206,577	-	360,025	-	5,566,602
Streets, sanitation and public works	1,462,814	196,195	-	299,999	1,959,009
Parks, recreation and public property	1,260,787	26,072	-	1,052,459	2,339,318
Community and economic development	208,852	-	-	-	208,852
Debt service:					
Principal on bonds	91,893	231,107	-	-	323,000
Principal on leases	8,170	-	-	-	8,170
Interest	68,657	31,873	-	-	100,530
Total expenditures	9,520,219	485,248	360,025	1,352,458	11,717,950
Excess (Deficiency) of Revenues over (Under) Expenditures	911,941	(288,880)	-	(1,112,458)	(489,398)
Other Financing Sources and (Uses)					
Impact fees	-	818,261	-	-	818,261
Sale of capital assets	14,713	-	-	-	14,713
Transfers in	50,000	-	-	1,060,000	1,110,000
Transfers out	(1,060,000)	-	-	-	(1,060,000)
Total other financing sources and (uses)	(995,287)	818,261	-	1,060,000	882,974
Net Change in Fund Balances	(83,346)	529,381	-	(52,458)	393,576
Fund balances - beginning of year	3,572,673	3,552,598	-	1,636,606	8,761,878
Fund balance - end of year	\$ 3,489,327	4,081,979	-	1,584,148	9,155,454

The notes to the financial statements are an integral part of this statement.

City of Santa Clara
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2024

Total Fund Balance for Governmental Funds	<u>\$ 9,155,454</u>
Total net assets reported for governmental activities in the statement is different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds:	
Capital assets, at cost	60,605,857
Less accumulated depreciation	<u>(38,882,391)</u>
Net capital assets	<u>21,723,465</u>
Net pension asset is not an available resource and, therefore, is not reported in the fund statements.	<u>72,246</u>
Deferred outflows of resources - pensions, a consumption of net position that applies to future periods, is not shown in the funds statements.	<u>797,598</u>
Long-term liabilities, for funds other than enterprise funds, are recorded in the government-wide statements but not in the fund statements.	
General long-term debt	<u>(4,025,730)</u>
Compensated absences	<u>(126,602)</u>
Interest accrued but not yet paid on long-term debt	<u>(25,312)</u>
Net pension liability	<u>(394,385)</u>
Deferred inflows of resources - pensions	<u>(37,207)</u>
Total Net Position of Governmental Activities	<u><u>\$ 27,139,528</u></u>

City of Santa Clara
**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

Net Change in Fund Balances - Total Governmental Funds	\$ 393,576
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with a material cost are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expenses.

Capital outlays	2,215,173
Developer contributed capital	2,112,843
Depreciation expense	(1,470,728)
Net	2,857,288

The Statement of Activities show pension benefits and pension expenses from the adoption of GASB 68 that are not shown in the fund statements.	82,098
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Long-term debt issued	-
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Long-term debt principal repayments	331,170
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Accrued interest for long-term debt is not reported as expenditure for the current period, while it is recorded in the statement of activities.

Change in accrued interest	20,270
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Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in compensated absences	(13,176)
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Change in Net Position of Governmental Activities	\$ 3,671,227
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Santa Clara City
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2024

	Water Fund	Sewer Fund	Electric Fund	Storm Water Fund	Total Enterprise Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:					
Assets:					
Current assets:					
Cash and cash equivalents	\$ 215,646	1,666,616	725,585	104,979	2,712,825
Accounts receivable, net	570,787	105,108	1,302,906	64,053	2,042,854
Due from other funds	-	23,500	-	-	23,500
Inventory & prepaids	-	-	574,245	-	574,245
Total current assets	<u>786,434</u>	<u>1,795,223</u>	<u>2,602,736</u>	<u>169,032</u>	<u>5,353,424</u>
Non-current assets:					
Restricted cash and cash equivalents	2,024,985	393,756	3,270,329	295,824	5,984,894
Assessments receivable	-	18,000	-	-	18,000
Bond discounts (net)	10,096	-	-	4,327	14,423
Capital assets:					
Not being depreciated	1,251,096	-	991,817	656,984	2,899,897
Net of accumulated depreciation	9,833,458	1,866,485	12,551,283	3,805,319	28,056,546
Net pension asset	7,888	2,726	13,886	2,726	27,226
Total non-current assets	<u>13,127,523</u>	<u>2,280,967</u>	<u>16,827,315</u>	<u>4,765,180</u>	<u>37,000,985</u>
Total assets	<u>13,913,956</u>	<u>4,076,190</u>	<u>19,430,050</u>	<u>4,934,212</u>	<u>42,354,409</u>
Deferred outflows of resources - pensions	87,085	30,090	153,304	30,090	300,569
Total assets and deferred outflows of resources	<u>\$ 14,001,041</u>	<u>4,106,280</u>	<u>19,583,354</u>	<u>4,964,302</u>	<u>42,654,978</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:					
Liabilities:					
Current liabilities:					
Accounts payable	\$ 63,971	41,389	768,901	4,952	879,212
Accrued liabilities	-	15,169	45,464	-	60,633
Accrued interest payable	38,350	-	32,901	2,499	73,750
Customer security deposits	207,651	-	-	-	207,651
Long-term debt, current position	325,600	-	424,000	65,400	815,000
Total current liabilities	<u>635,572</u>	<u>56,558</u>	<u>1,271,267</u>	<u>72,851</u>	<u>2,036,247</u>
Non-current liabilities:					
Compensated absences	25,808	7,699	43,998	8,507	86,012
Long-term debt, long-term portion	4,398,000	-	4,502,000	174,000	9,074,000
Net pension liability	43,060	14,878	75,803	14,878	148,619
Total non-current liabilities	<u>4,466,868</u>	<u>22,577</u>	<u>4,621,801</u>	<u>197,385</u>	<u>9,308,631</u>
Total liabilities	<u>5,102,440</u>	<u>79,134</u>	<u>5,893,068</u>	<u>270,235</u>	<u>11,344,877</u>
Deferred inflows of resources - pensions	4,062	1,404	7,152	1,404	14,022
Total liabilities and deferred inflows of resources	<u>5,106,502</u>	<u>80,538</u>	<u>5,900,220</u>	<u>271,639</u>	<u>11,358,899</u>
NET POSITION:					
Net investment in capital assets	6,360,954	1,866,485	8,617,100	4,222,904	21,067,442
Restricted for debt service	871,733	-	-	-	871,733
Restricted for capital outlay	945,601	393,756	3,270,329	295,824	4,905,510
Unrestricted	716,252	1,765,501	1,795,706	173,935	4,451,394
Total net position	<u>8,894,539</u>	<u>4,025,742</u>	<u>13,683,134</u>	<u>4,692,663</u>	<u>31,296,079</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 14,001,041</u>	<u>4,106,280</u>	<u>19,583,354</u>	<u>4,964,302</u>	<u>42,654,978</u>

The notes to the financial statements are an integral part of this statement.

Santa Clara City
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Water Fund	Sewer Fund	Electric Fund	Storm Water Fund	Total Enterprise Funds
Operating income:					
Charges for sales and service	\$ 2,454,233	1,017,805	7,686,386	597,745	11,756,169
Other operating income	244,871	59,607	229,141	2,962	536,581
Total operating income	2,699,105	1,077,412	7,915,527	600,707	12,292,751
Operating expenses:					
Personnel services	751,221	236,363	1,124,943	244,351	2,356,879
Wastewater treatment	-	515,414	-	-	515,414
Wholesale power purchases	-	-	3,425,044	-	3,425,044
Operating and maintenance	640,398	40,588	1,025,256	92,788	1,799,029
Professional services	94,532	37,121	72,564	60,262	264,479
Insurance expense	-	-	-	-	-
Other supplies and expenses	58,561	11,333	134,095	8,327	212,315
Franchise fees	-	-	431,234	-	431,234
Administrative	92,320	44,296	95,398	29,858	261,872
Depreciation expense	596,708	144,342	803,252	217,963	1,762,266
Total operating expense	2,233,740	1,029,456	7,111,786	653,549	11,028,531
Net operating income (loss)	465,365	47,956	803,741	(52,842)	1,264,220
Non-operating income (expense)					
Impact fees	211,208	57,482	403,435	72,959	745,084
Gain (loss) from sale of capital assets	-	-	20,000	-	20,000
Interest income	69,858	19,155	180,124	15,238	284,375
Interest on long-term debt	(116,836)	-	(99,072)	(9,247)	(225,155)
Total non-operating income (expense)	164,229	76,637	504,488	78,950	824,304
Income before contributions and transfers	629,594	124,593	1,308,228	26,108	2,088,524
Capital contributions	37,107	-	-	426,760	463,867
Developer contributions	1,104,699	470,844	880,166	136,229	2,591,938
Transfers out	(25,000)	-	-	(25,000)	(50,000)
Change in net position	1,746,401	595,437	2,188,395	564,097	5,094,329
Net position - beginning	7,148,139	3,430,305	11,494,740	4,128,566	26,201,749
Net position - ending	\$ 8,894,539	4,025,742	13,683,134	4,692,663	31,296,079

The notes to the financial statements are an integral part of this statement.

Santa Clara City
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Water Fund	Sewer Fund	Electric Fund	Storm Water Fund	Total Enterprise Funds
Cash flows from operating activities:					
Cash received from customers - service	\$ 2,583,010	1,063,099	7,738,372	595,537	11,980,018
Cash paid to suppliers	(818,361)	(655,506)	(4,967,337)	(186,692)	(6,627,896)
Cash paid to employees	(758,936)	(239,436)	(1,149,165)	(247,473)	(2,395,010)
Net cash provided (used) in operating activities	1,005,713	168,157	1,621,869	161,372	2,957,111
Cash flows from noncapital financing activities:					
Net interfund activity	(25,000)	26,500	-	(25,000)	(23,500)
Change in customer deposits	31,300	-	-	-	31,300
Net cash provided (used) in noncapital financing activities	6,300	26,500	-	(25,000)	7,800
Cash flows from capital and related financing activities:					
Impact fees and capital contributions	248,315	57,482	403,435	499,719	1,208,952
Cash from sale of capital assets	-	-	20,000	-	20,000
Payments for capital assets	(906,760)	(23,180)	(869,219)	(619,628)	(2,418,787)
Payments for long-term debt principal	(315,335)	(71,003)	(418,000)	(61,858)	(866,195)
Payments for long-term debt interest	(121,523)	(5,809)	(82,150)	(11,140)	(220,622)
Net cash provided (used) in capital and related financing activities	(1,095,302)	(42,510)	(945,934)	(192,906)	(2,276,652)
Cash flows from investing activities:					
Cash received from interest earned	69,858	19,155	180,124	15,238	284,375
Net cash provided (used) in investing activities	69,858	19,155	180,124	15,238	284,375
Net increase (decrease) in cash	(13,432)	171,302	856,060	(41,296)	972,634
Cash balance, beginning	2,254,063	1,889,069	3,139,854	442,098	7,725,085
Cash balance, ending	\$ 2,240,632	2,060,371	3,995,914	400,803	8,697,719
Cash reported on the statement of net position:					
Cash and cash equivalents	\$ 215,646	1,666,616	725,585	104,979	2,712,825
Non-current restricted cash	2,024,985	393,756	3,270,329	295,824	5,984,894
Total cash and cash equivalents	\$ 2,240,632	2,060,371	3,995,914	400,803	8,697,719

The notes to the financial statements are an integral part of this statement.

Santa Clara City
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (continued)
For the Year Ended June 30, 2024

**Reconciliation of Operating Income to Net Cash
Provided (Used) in Operating Activities:**

	Water Fund	Sewer Fund	Electric Fund	Storm Water Fund	Total Enterprise Funds
Net operating income (expense)	\$ 465,365	47,956	803,741	(52,842)	1,264,220
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:					
Depreciation and amortization	596,708	144,342	803,252	217,963	1,762,266
Changes in assets and liabilities:					
(Increase) decrease in receivables	(116,095)	(14,313)	(177,154)	(5,171)	(312,733)
(Increase) decrease in inventory	-	-	(57,264)	-	(57,264)
(Increase) decrease in net pension asset	(1,463)	(506)	(2,576)	(506)	(5,051)
(Increase) decrease in deferred outflows	(27,081)	(9,357)	(47,673)	(9,357)	(93,469)
Increase (decrease) in payables	67,450	(6,755)	273,517	4,543	338,754
Increase (decrease) in compensated absences	1,250	25	(8,442)	(24)	(7,191)
Increase (decrease) in net pension liability	16,880	5,832	29,716	5,832	58,261
Increase (decrease) in deferred inflows	2,699	933	4,753	933	9,318
Net cash provided (used) in operating activities	<u>\$ 1,005,713</u>	<u>168,157</u>	<u>1,621,869</u>	<u>161,372</u>	<u>2,957,111</u>

The notes to the financial statements are an integral part of this statement.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1-A. Reporting entity

The City of Santa Clara (the City), a municipal corporation located in Washington County, Utah, operates under a Mayor-Council form of government. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable because of the significance of their operational or financial relationships with the City.

The City financial statements include the **Municipal Building Authority of Santa Clara (MBA)** as a blended component unit. The MBA was created by the City for the purpose of financing and leasing facilities to meet the needs of the City. Members of the Town Council serve as the Board of Directors of the MBA, and City management has operational responsibility for the MBA.

1-B. Government-wide and fund financial statements

Government-wide Financial Statements

The government-wide financial statements, consisting of the statement of net position and the statement of activities report information on all the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports the financial position of the governmental and business-type activities of the City and its discretely presented component units at year-end.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are not allocated. All expenses are included in the applicable function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privilege provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, if any, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statement.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

1-C. Measurement focus, basis of accounting and financial statement presentation

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, generally including the reclassification of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments or payments to the general fund by other funds for providing administrative and billing services for such funds. Reimbursements are reported as reductions to expenses. Proprietary and any fiduciary fund financial statements are also reported using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when the grantor eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments, if any, receivable within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating income and expense reported in proprietary fund financial statements include those revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services, including administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Policy regarding use of restricted resources

When faced with a choice, it is the City's policy to use restricted resources first, then committed and assigned amounts before spending unassigned amounts. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

1-D. Fund types and major funds

Governmental funds

The City reports the following major governmental fund:

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

The *impact fees special revenue fund* is used to account for the collection and use of impact fees related to the City's governmental activities.

Proprietary funds

The City reports the following major and non-major proprietary funds:

The *water fund* is used to account for the activities of the culinary water production, treatment and distribution.

The *sewer fund* is used to account for the activities of the sewer collection and treatment operations.

The *electric fund* is used to account for the activities of the electric power distribution operations.

The *storm water fund* accounts for the activities of the City's storm water operations.

1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1-E-1. Deposit and Investments

Cash includes cash on hand, demand deposits with bank and other financial institutions, deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition. The City's policy allows for investment in fund in time certificates of deposit with federally insured depositories, investment in the state treasurer's pool, and other investments as allowed by the State of Utah's Money Management Act. All investments are carried at fair value with unrealized gains and losses recorded as adjustments to interest earnings. Fair market values are based on quoted market prices.

1-E-2. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

1-E-3. Receivables and Payables

In the Water, Sewer, Electric, and Storm Water funds, the City records utility revenues billed to customer when meters are read on a monthly basis. Unbilled service accounts receivable at June 30, 2024 were estimated based upon July billings and are included in the operating revenues and accounts receivable at year end. Due to the nature of the accounts receivable in the governmental and business-type activities of the City, management does not consider an allowance for uncollectible accounts receivable necessary or material. Therefore, no allowance for uncollectible accounts receivable is presented.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(continued)**

During the course of operations, there may be transactions that occur between funds that are representative of lending/borrowing arrangements outstanding at year-end. These are reported as either due to or due from other funds.

Property taxes are assessed and collected for the City by Washington County and remitted to the City shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

1-E-4. *Restricted Assets*

In accordance with certain revenue bond covenants, resources may be required to be set aside for the repayment of such bonds, and, on occasion, for the repair and maintenance of the assets acquired with the bond proceeds. These resources are classified as restricted assets on the balance sheet because of their limited use. Most capital grant agreements mandate that grant proceeds be spent only on capital assets. Unspent resources of this nature are also classified as restricted. The limited use resources described above involve a reported restriction of both cash and net assets.

Unspent proceeds of bonds issued to finance capital assets are also reported as restricted cash.

1-E-5. *Inventories and Prepaid items*

Inventories in governmental funds are not reported. These consist of immaterial amounts of expendable supplies for consumption. Such supplies are acquired as needed. Proprietary fund inventories, where material, are stated at the lower of cost or market, using the first-in, first-out basis.

Prepaid items record payments to vendors that benefit future reporting and are reported on the consumption basis. Both inventories and prepayments are similarly reported in government-wide and fund financial statements.

1-E-6. *Capital Assets*

Capital assets includes property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Infrastructure is depreciated.

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend the assets' life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(continued)**

Property, plant, and equipment of the primary government, as well as the component units if any, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-50
Machinery and equipment	5-20
Infrastructure	5-8
Autos and trucks	15-40

1-E-7. Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the terms of the respective bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period.

1-E-8. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation pay and comp time. The liability for these compensated absences is recorded as long-term liabilities and as expenses in the government-wide statements and in the proprietary fund statements. No expenditures are reported for these amounts in the governmental fund statements. Accumulated unpaid vacation pay and comp time are accrued based upon the City's expected legal obligation as of the statement date.

1-E-9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes include 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 so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources relating to pensions as required by GASB 68.

In addition to liabilities, the statement of net position will sometimes include 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 so will not be recognized as an inflow of resources (revenue) until then. The City has two types of items that qualify for reporting in this category. The governmental funds report deferred revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period for which they are levied. The City also reports deferred inflows related to pensions as required by GASB 68.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(continued)**

1-E-10. 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.

1-E-11. Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted - net position to have been depleted before unrestricted – net position is applied.

1-E-12. Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to reports as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using and of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

1-E-13. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by formal action of the City's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(continued)**

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The council has authorized the City Manager to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance is a residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund.

1-F. Revenues and expenditures/expenses

Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes

Property taxes are collected by Washington County Treasurer and remitted to the City in monthly installments. Taxes levied each October on the taxable value listed as of the prior January 1 (lien date) for all real property located in the City. Taxable values are established by the County Assessor at a percent of the fair market value on primary residential property and 100 percent of the fair market value of non-primary residential property. A revaluation of all property is required to be completed no less than every five years. Taxes are due and payable on November 1 and delinquent after November 30 of each year, at which time they become liens if not paid.

Compensated absences

For governmental funds, amounts of vested or accumulated vacation and comp time that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation and comp time in the proprietary funds are recorded as an expense and a liability of that fund as the benefits accrue to the employees and are thus recorded in both the government-wide and the individual fund financial statements. Accumulated unpaid vacation pay and comp time are accrued based upon the City's expected legal obligation as of the statement date. No provision is made for accumulated sick leave because the City is not obligated to pay accumulated sick leave upon termination or retirement.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

1-F. Revenues and expenditures/expenses (continued)

Proprietary funds operating and nonoperating revenues and expenses

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

1-G. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results may differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2-A. Budgetary data

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and City Council on or before June 22 for the following fiscal year beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the City's budgetary control (the level at which the City's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the appropriation of unassigned General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received to meet emergency expenditures, and to cover unanticipated deficits. Any unassigned General Fund balance greater than 35% of the current year's revenues must be appropriated within the following years.

Once adopted, budget amendments which increase total expenditures must be approved by the City Council following a public hearing. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

2-B. Deficit fund balance or net position

As of June 30, 2024, none of the City's funds carry a deficit fund balance or net position.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 3 - DETAILED NOTES

3-A. Deposits and investments

Cash and investments as of June 30, 2024, consist of the following:

	Fair Value
Cash on hand	\$ 600
Cash in bank	8,106,908
State Treasurer's Investment Pool	10,319,177
Total cash	\$ 18,426,685

Cash and investments listed above are classified in the accompanying government-wide statement of net position as follows:

Cash and cash equivalents (current)	\$ 6,805,976
Restricted cash and cash equivalents (non-current)	11,620,709
Total cash and cash equivalents	\$ 18,426,685

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

The Utah Money Management Act (UMMA) establishes specific requirements regarding deposits of public funds by public treasurers. UMMA requires that city funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by the Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares. The City maintains monies not immediately needed for expenditure in PTIF accounts.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

3-A. Deposits and 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 \$10,319,177 invested in the PTIF, which uses a Level 2 fair value measurement.

Deposit and investment risk

The City maintains no investment policy containing any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk other than that imposed by UMMA. The City's compliance with the provisions of UMMA addresses each of these risks.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. All deposits and investments of the City are available immediately.

Credit risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. As noted on the previous page, PTIF is unrated.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. At June 30, 2024, \$500,000 of the City's demand deposits of \$6,588,167 are covered by FDIC insurance.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City views its placements of moneys in PTIF as deposits, however, this risk is addressed through the policy of investing most excess monies in PTIF accounts.

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. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

3-C. Capital assets

Capital asset activity for governmental activities was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land and rights	\$ 2,091,942	-	-	2,091,942
Construction in progress	85,584	1,976,829	1,979,064	83,349
Total capital assets, not being depreciated	2,177,526	1,976,829	1,979,064	2,175,291
Capital assets, being depreciated:				
Buildings	7,552,192	-	-	7,552,192
Improvements other than buildings	10,210,837	1,082,413	-	11,293,250
Machinery and equipment	1,760,354	137,812	9,968	1,888,198
Vehicles	1,571,533	-	-	1,571,533
Office equipment	703,729	241,175	-	944,905
Artwork	198,491	-	-	198,491
Infrastructure	32,113,145	2,868,851	-	34,981,996
Total capital assets, being depreciated	54,110,282	4,330,252	9,968	58,430,565
Less accumulated depreciation for:				
Buildings	4,111,232	253,002	-	4,364,234
Improvements other than buildings	3,815,746	502,464	-	4,318,210
Machinery and equipment	1,114,267	129,024	9,968	1,233,324
Vehicles	1,137,630	105,188	-	1,242,818
Office equipment	447,326	64,158	-	511,484
Artwork	97,097	6,616	-	103,714
Infrastructure	26,698,333	410,275	-	27,108,608
Total accumulated depreciation	37,421,631	1,470,728	9,968	38,882,391
Total capital assets being depreciated, net	16,688,651	2,859,523	-	19,548,174
Governmental activities capital assets, net	\$ 18,866,176	4,836,352	1,979,064	21,723,464

Depreciation expense was charged to functions/programs of the primary government governmental activities was follows:

Governmental activities:	
General government	\$ 297,929
Parks, recreation and public property	594,667
Public safety	86,508
Streets and public works	491,624
Total	\$ 1,470,728

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

3-C. Capital assets (continued)

Capital asset activity for the business-type activities was as follows:

Business-type activities	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 706,984	-	-	706,984
Water rights	780,875	-	-	780,875
Construction in progress	586,759	1,141,721	316,442	1,412,038
Total capital assets, not being depreciated	2,074,618	1,141,721	316,442	2,899,897
Capital assets, being depreciated:				
Buildings and improvements	385,260	-	-	385,260
Water distribution system	19,407,375	1,576,308	-	20,983,683
Sewer collection and treatment system	2,804,258	484,603	-	3,288,861
Electric distribution system	20,931,540	1,279,562	-	22,211,102
Storm water system	5,034,252	755,857	-	5,790,109
Machinery and equipment	1,725,265	89,116	9,966	1,804,415
Vehicles	1,795,396	-	-	1,795,396
Total capital assets, being depreciated	52,083,346	4,185,446	9,966	56,258,825
Less accumulated depreciation for:				
Buildings and improvements	140,591	11,498	-	152,089
Water distribution system	10,785,227	547,339	-	11,332,566
Sewer collection and treatment system	1,714,722	85,427	-	1,800,149
Electric distribution system	9,812,563	682,836	-	10,495,399
Storm water system	1,968,250	199,329	-	2,167,578
Machinery and equipment	801,804	125,498	9,966	917,336
Vehicles	1,226,824	110,339	-	1,337,163
Total accumulated depreciation	26,449,981	1,762,266	9,966	28,202,280
Total capital assets being depreciated, net	25,633,365	2,423,180	-	28,056,546
Business-type activities capital assets, net	\$ 27,707,982	3,564,901	316,442	30,956,442

Depreciation expense was charged to functions/programs of the primary government business-type activities was follows:

Business-type activities:	
Water	\$ 596,708
Sewer	144,342
Electric	803,252
Storm water	217,963
Total	\$ 1,762,266

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

3-D. Long-term debt

Long-term debt activity for the governmental activities was as follows:

	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2021 Sales Tax Revenue Bonds						
Matures 3/1/2036	1.70	\$ 1,963,000	-	136,000	1,827,000	138,000
2019 Lease Revenue Refunding Bonds						
Matures 10/1/2033	2.76	2,355,000	-	187,000	2,168,000	192,000
Lease Liabilities						
Maturity Varies	6.00	38,899	-	8,170	30,730	8,673
Total governmental activity						
long-term liabilities		\$ 4,356,899	-	331,170	4,025,730	338,673

Debt service requirements to maturity for governmental activities are as follows:

	Principal	Interest	Total
2025	\$ 338,673	89,854	428,527
2026	347,208	81,605	428,813
2027	354,776	73,134	427,910
2028	357,072	64,597	421,668
2029	361,000	56,248	417,248
2030 - 2034	1,936,000	149,832	2,085,832
2035 - 2036	331,000	8,466	339,466
Total	\$ 4,025,730	523,736	4,549,465

The City has direct borrowings related to governmental activities totaling \$3,995,000. The outstanding bonds are secured with their respective revenues and/or property and equipment.

The City has no unused lines of credit as of June 30, 2024.

Lease Liabilities

The City leases three copiers and a postage meter. The leases range from 4 years to 5 years and the combined annual lease payment is \$10,281 with interest of 6.0%. The City recognized \$8,170 as paid on the lease principal during the year, resulting in a lease liability at year-end of \$30,729. Requirements to maturity for the leased equipment is included in the schedule above.

The City also recognized leased assets totaling \$44,538 during the year, with accumulated depreciation \$14,672.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

3-D. Long-term debt (continued)

Long-term debt activity for the business-type activities was as follows:

	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2021 Electric Revenue Refunding Bonds						
Matures 2031	1.38	\$ 2,854,000	-	369,000	2,485,000	377,000
2021B Electric Revenue Bonds						
Matures 2035	1.83	2,490,000	-	49,000	2,441,000	47,000
2018 Sewer Truck Loan						
Matured 2024	3.05	71,003	-	71,003	-	-
2012 Water and Storm Water Revenue Bonds						
Matures 2027	2.748-3.66	1,009,000	-	211,000	798,000	218,000
2012 E & F Water Revenue Refunding Bonds						
Matures 2043	2.50	4,336,000	-	171,000	4,165,000	173,000
Less bond discounts		(19,230)	-	(4,807)	(14,423)	-
Total business-type activity						
long-term liabilities		\$ 10,740,773	-	866,195	9,874,577	815,000

Bond debt service requirements to maturity for business-type activities are as follows:

	Principal	Interest	Total
2025	\$ 815,000	140,635	955,635
2026	830,000	125,221	955,221
2027	846,000	109,399	955,399
2028	738,000	95,011	833,011
2029	627,000	84,355	711,355
2030 - 2034	3,273,000	286,756	3,559,756
2035 - 2039	1,343,000	107,666	1,450,666
2040 - 2044	1,185,000	55,100	1,240,100
2045 - 2046	232,000	-	232,000
Total	\$ 9,889,000	1,004,144	10,893,144

The City has outstanding notes from direct borrowings related to business-type activities totaling \$9,874,577. The outstanding direct borrowings are all secured with their respective revenues and/or property and equipment.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

3-D. Long-term debt (continued)

Other long-term liabilities:

	Beginning	Increase (Decrease)	Ending
Compensated absences:			
Governmental	\$ 113,426	13,176	126,602
Business-type	93,203	(7,191)	86,012
Total	\$ 206,629	5,985	212,614

	Beginning	Increase (Decrease)	Ending
Net pension liability:			
Governmental	\$ 239,776	154,609	394,385
Business-type	90,358	58,261	148,619
Total	\$ 330,134	212,870	543,004

3-E. Lease receivable

The City leases property to a third party that is for 17 years, and the City will receive monthly payments from the third party in the amount of \$1,529. The City recognized \$17,833 in lease revenue and \$1,781 in interest revenue during the current fiscal year related to these leases. As of June 30, 2024, the City's receivable for lease payments was \$20,624. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was \$19,545. Requirements to maturity are as follows:

	Principal	Interest	Total
2025	\$ 17,589	759	18,348
2026	3,035	23	3,058
Total	\$ 20,624	782	21,406

3-F. Interfund receivables, payables and transfers

The City had the following interfund receivables and payables at year-end:

	Due To	Due From
General fund	\$ -	23,500
Sewer fund	23,500	-
Total	\$ 23,500	23,500

With the exception of the interfund loan described below, interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

In 2017, the sewer fund loaned the general fund \$250,000 to finance the purchase of land. The loan bears interest at 2.0% and is payable in 10 installments ranging from \$29,500 to \$25,500.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

3-F. Interfund receivables, payables and transfers (continued)

The City had the following interfund transfers during the year:

	Transfers In	Transfers Out
General fund	\$ 50,000	1,060,000
Capital projects fund	1,060,000	-
Water fund	-	25,000
Storm water fund	-	25,000
Total	\$ 1,110,000	1,110,000

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 4 - OTHER INFORMATION

4-A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City participates in the Utah Local Government Trust, a public agency insurance mutual, which provides coverage for property damage and general liability. The City is subject to a minimal deductible for claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Amounts of settlements have not exceeded insurance coverage in any of the past three fiscal years.

4-B. Contracts

The City has entered into various contracts for its Sewer, Water, Garbage and Electric Utility Funds. A few of the more significant contracts are as follows:

The City has entered into a 25-year wastewater service contract with St. George City, which originally expired in April, 2012. This contract was renewed and an automatic renewal will occur each year until written notice is given. St. George City provides the use of a connecting system to transport the City's wastewater to the St. George City treatment plant where it is treated for the City in exchange for a monthly service charge.

The City has also entered into an interlocal agreement (Snow Canyon Water Project Interlocal Compact) wherein the City reimburses their share of operating and maintenance cost to St. George City based upon Santa Clara's proportionate ownership/usage of water in the compact.

The City also has a solid waste collection and disposal contract with Washington County Special Service District No. 1 (the District). The contract provides for a subcontractor to collect and dispose of residential and commercial solid waste within the City. In connection with the agreement, the City is responsible for the monthly billing, collection, and payment of residential collections to the District.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

4-B. Contracts (continued)

Additionally, as a member of the Utah Association of Municipal Power System (UAMPS), the City has entered into the San Juan Power Sales Contract (the Power Sales contract) in order to obtain a long-term supply of firm electric energy for the City. The City purchases electricity from UAMPS in exchange for monthly usage fees based on kilowatt hours used.

4-C. Jointly Governed Organization

The City, in conjunction with 38 other governmental entities that provide for the purchase and transmission of electrical services, created the Utah Association of Municipal Power System (UAMPS). UAMPS owns an interest in various power generation entities as well as coordinating the purchase of additional power on the open spot-market. The UAMPS board is comprised of one member from each participating entity (dependent on the particular projects which an entity elects to participate in). Except for minimum purchase requirements, no participant has any obligation, entitlement, or residual interest. The City's electric utility fund purchased power totaling \$3,425,044.

4-D. Contingent Liabilities

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

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Due to the uncertainty of these items and inability of management to estimate an amount for which the City may be liable, the City has not recognized on the financial statements any amount related to contingent liabilities at June 30, 2024.

4-E. Commitments/Subsequent Events

The City is committed to participate in the Regional Water Line Project. The City incurred \$35,957 in cost during the current audit period and their future ownership costs are expected to be \$231,621 or approximately \$35,000 annually for 4.5 years.

The City is a member of the Utah Association of Municipal Power System (UAMPS), a political subdivision of the State of Utah created to secure electric power for the members of UAMPS. As a member, the City has entered into power supply agreements with respect to various projects in which UAMPS participated. The total cost of the power the City will be required to purchase in the future is not determinable, however, at a minimum, in connection with these power supply agreements, the City will be required to fund debt service on the UAMPS bonds which, at June 30, 2024 had an outstanding balance of \$105,060,000. The City's share of this amount is \$3,363,264.

As a member of UAMPS, the City has committed to participate in various projects. The City has made a down payment on the projects of \$300,000. The City's share of the debt related to this projects is disclosed above. The City is also participating with UAMPS to investigate the feasibility of other power projects involving wind, solar, hydro, natural gas, and nuclear generation of power. If any of these projects prove to be viable, the City could participate and incur the associated costs.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

4-F. Pension Plans

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 Benefit Plans

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

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

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

4-F. Pension Plans (continued)

Benefits provided:

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

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

* with actuarial reductions

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

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

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

4-F. Pension Plans (continued)

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

<u>Utah Retirement Systems</u>	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k) Plan</u>
Contributory System			
111 - Local Government Div - Tier 2	-	16.01	0.18
Noncontributory System			
15 - Local Government Div - Tier 1	-	17.97	-
Public Safety System			
Contributory			
122 - Tier 2 DB Hybrid Public Safety	2.59	25.83	-
Noncontributory			
43 - Other Div A with 2.5% COLA	-	34.04	-
Firefighters Retirement System			
31 - Other Division A	15.05	3.61	-
132 - Tier 2 DB Hybrid Firefighters	2.59	14.08	-
Tier 2 DC Only			
211 - Local Government	-	6.19	10.00
222 - Public Safety	-	11.83	14.00
232 - Firefighters	-	0.08	14.00

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

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

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 231,795	-
Firefighter System	5,299	22,092
Tier 2 Public Employees System	209,662	-
Tier 2 Public Safety and Firefighter	122,074	-
Tier 2 DC Only System	12,024	-
Tier 2 Public Safety and Firefighter System	177	-
Total Contributions	\$ 581,030	22,092

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.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

4-F. Pension Plans (continued)

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 asset of \$99,472 and a net pension liability of \$543,004.

	(Measurement Date): December 31, 2023				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share 12/31/2022	Change (Decrease)
Noncontributory System	\$ -	\$ 355,050	0.1530675%	0.1513124%	0.0017551%
Firefighters System	99,472	-	0.4238365%	0.3119669%	0.1118696%
Tier 2 Public Employees System	-	97,979	0.0503389%	0.0501107%	0.0002282%
Tier 2 Public Safety and Firefighter	-	89,976	0.2388572%	0.1966880%	0.0421692%
Total	\$ 99,472	\$ 543,004			

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

For the year ended June 30, 2024, we recognize pension expense of \$465,615.

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
Difference between expected and actual experience	\$ 393,505	\$ 7,747
Changes in assumptions	238,691	1,924
Net difference between projected and actual earnings on pension plan investments	154,345	-
Changes in proportion and differences between contributions and proportionate share of contributions	29,323	41,558
Contributions subsequent to the measurement date	282,303	-
Total	\$ 1,098,167	\$ 51,229

\$282,303 was 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.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

4-F. Pension Plans (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources
2024	\$ 185,129
2025	192,977
2026	299,108
2027	(40,215)
2028	17,857
Thereafter	109,779

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

For the year ended June 30, 2024, we recognize pension expense of \$244,509.

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
Difference between expected and actual experience	\$ 248,610	\$ -
Changes in assumptions	106,543	-
Net difference between projected and actual earnings on pension plan investments	115,459	-
Changes in proportion and differences between contributions and proportionate share of contributions	706	1,208
Contributions subsequent to the measurement date	114,287	-
Total	\$ 585,605	\$ 1,208

\$114,287 was 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:

<u>Year Ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources
2024	\$ 155,354
2025	146,178
2026	217,017
2027	(48,493)
2028	-
Thereafter	-

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

4-F. Pension Plans (continued)

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

For the year ended June 30, 2024, we recognize pension expense of (\$20,933).

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
Difference between expected and actual experience	\$ 65,400	\$ -
Changes in assumptions	10,509	-
Net difference between projected and actual earnings on pension plan investments	18,406	-
Changes in proportion and differences between contributions and proportionate share of contributions	15,727	35,760
Contributions subsequent to the measurement date	2,614	-
Total	\$ 112,656	\$ 35,760

\$2,614 was 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:

<u>Year Ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources
2024	\$ 12,658
2025	23,373
2026	42,428
2027	(4,178)
2028	-
Thereafter	-

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

4-F. Pension Plans (continued)

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

For the year ended June 30, 2024, we recognize pension expense of \$127,820.

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
Difference between expected and actual experience	\$ 31,382	\$ 1,605
Changes in assumptions	56,083	77
Net difference between projected and actual earnings on pension plan investments	11,064	-
Changes in proportion and differences between contributions and proportionate share of contributions	11,989	1,633
Contributions subsequent to the measurement date	108,689	-
Total	\$ 219,206	\$ 3,315

\$108,689 was 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:

<u>Year Ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources
2024	\$ 9,097
2025	12,999
2026	22,435
2027	7,260
2028	10,007
Thereafter	45,404

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

4-F. Pension Plans (continued)

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

For the year ended June 30, 2024, we recognize pension expense of \$114,219.

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
Difference between expected and actual experience	\$ 48,113	\$ 6,142
Changes in assumptions	65,557	1,846
Net difference between projected and actual earnings on pension plan investments	9,415	-
Changes in proportion and differences between contributions and proportionate share of contributions	901	2,957
Contributions subsequent to the measurement date	56,713	-
Total	\$ 180,699	\$ 10,945

\$56,713 was 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:

<u>Year Ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources
2024	\$ 8,019
2025	10,427
2026	17,173
2027	5,197
2028	7,850
Thereafter	64,375

Actuarial assumptions:

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

Inflation	2.50 Percent
Salary increases	3.50 - 9.50 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

4-F. Pension Plans (continued)

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Assets 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	100.00%		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

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

4-F. Pension Plans (continued)

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate:

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

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 1,842,691	\$ 355,050	\$ (890,748)
Firefighters System	118,704	(99,472)	(276,882)
Tier 2 Public Employees System	336,641	97,979	(87,104)
Tier 2 Public Safety and Firefighter	289,904	89,976	(69,971)
Total	\$ 2,587,940	\$ 443,532	\$ (1,324,705)

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plan:

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

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

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

	2024	2023	2022
401(k) Plan			
Employer Contributions	\$ 91,444	\$ 57,951	\$ 42,608
Employee Contributions	90,145	68,452	66,595
457(b) Plan			
Employer Contributions	11,228	7,510	6,042
Employee Contributions	29,665	22,090	19,064
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	35,140	26,471	21,914

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

4-G. Rounding convention

A rounding convention to the nearest whole dollar has been applied throughout this report, therefore the precision displayed in any monetary amount is plus or minus \$1. These financial statements are computer generated and the rounding convention is applied to each amount displayed in a column, whether detail item or total. As a result, without the overhead cost of manually balancing each column, the sum of displayed amounts in a column may not equal the total displayed. The maximum difference between any displayed number or total and its actual value will not be more than \$1.

4-H. Related party transactions

During fiscal year 2024, the City paid Rosenberg Associates a total of \$121,679 for engineering services. Rosenberg Associates is owned by Rick Rosenberg who is currently serving as Mayor.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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City of Santa Clara
Notes to Required Supplementary Information
June 30, 2024

Budgetary Comparison Schedules

The Budgetary Comparison Schedules presented in this section of the report are for the City's General Fund and Impact Fees Special Revenue Fund.

Budgeting and Budgetary Control

The budget for the General Fund is legally required and is prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the City Council prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Current Year Excess of Expenditures over Appropriations

For the year ended June 30, 2024, total expenditures for the General Fund were within budgeted appropriations.

Changes in Assumptions Related to Pensions

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.

City of Santa Clara
**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND**
For the Year Ended June 30, 2024

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Property	\$ 1,242,206	1,242,206	1,262,327	20,121
Sales	2,270,000	2,270,000	2,390,271	120,271
Other taxes	879,800	954,800	979,751	24,951
License and permits	425,550	425,550	388,376	(37,174)
Intergovernmental revenues	409,700	487,700	586,237	98,537
Charges for services	3,221,004	3,397,932	3,586,298	188,366
Fines and forfeitures	330,000	330,000	430,760	100,760
Interest	300,000	300,000	484,358	184,358
Miscellaneous revenue	246,600	446,600	323,781	(122,819)
Total revenues	9,324,860	9,854,788	10,432,160	577,372
EXPENDITURES:				
General government	1,443,418	1,478,418	1,381,188	97,230
Public safety	5,080,534	5,373,462	5,206,577	166,885
Streets, sanitation and public works	1,364,494	1,546,494	1,462,814	83,680
Parks, recreation and public property	1,230,975	1,285,975	1,260,787	25,188
Community and economic development	205,439	220,439	208,852	11,587
Total expenditures	9,324,860	9,904,788	9,520,219	384,569
Excess (Deficiency) of Revenues over (Under) Expenditures	-	(50,000)	911,941	961,941
Other Financing Sources and (Uses):				
Sale of capital assets	-	-	14,713	14,713
Transfers in	-	50,000	50,000	-
Transfers out	(1,060,000)	(1,060,000)	(1,060,000)	-
Total other financing sources and (uses)	(1,060,000)	(1,010,000)	(995,287)	14,713
Net Change in Fund Balances	(1,060,000)	(1,060,000)	(83,346)	976,654
Fund balances - beginning of year	3,572,673	3,572,673	3,572,673	-
Fund balance - end of year	\$ 2,512,673	2,512,673	3,489,327	976,654

City of Santa Clara
**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
IMPACT FEES SPECIAL REVENUE FUND
For the Year Ended June 30, 2024

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ 32,500	32,500	196,367	163,867
Total revenues	32,500	32,500	196,367	163,867
EXPENDITURES:				
Public safety	75,000	75,000	75,000	-
Streets and public works	269,371	366,371	364,068	2,303
Parks, recreation and public property	123,289	123,289	46,179	77,110
Total expenditures	467,660	564,660	485,248	79,412
Excess (Deficiency) of Revenues over (Under) Expenditures	(435,160)	(532,160)	(288,880)	243,280
Other Financing Sources and (Uses):				
Impact fees	435,160	532,160	818,261	286,101
Transfers in	-	-	-	-
Total other financing sources and (uses)	435,160	532,160	818,261	286,101
Net Change in Fund Balances	-	-	529,381	529,381
Fund balances - beginning of year	3,552,598	3,552,598	3,552,598	-
Fund balance - end of year	\$ 3,552,598	3,552,598	4,081,979	529,381

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

June 30, 2024

Last 10 Fiscal Years

As of December 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Noncontributory Retirement System										
Proportion of the net pension liability (asset)	0.1530675%	0.1513124%	0.1507209%	0.1500318%	0.1508356%	0.1546589%	0.1418812%	0.1324804%	0.1397285%	0.1430226%
Proportionate share of the net pension liability (asset)	\$ 355,050	\$ 259,160	\$ (863,195)	\$ 76,958	\$ 568,480	\$ 1,138,865	\$ 621,624	\$ 850,686	\$ 790,652	\$ 621,038
Covered employee payroll	\$ 1,267,324	\$ 1,268,036	\$ 1,311,815	\$ 1,337,278	\$ 1,312,160	\$ 1,312,265	\$ 1,190,195	\$ 1,133,297	\$ 1,164,433	\$ 1,198,561
Proportionate share of the net pension liability (asset)	28.02%	20.44%	-65.80%	5.75%	43.32%	86.79%	52.23%	75.06%	67.90%	51.82%
as a percentage of its covered-employee payroll										
Plan fiduciary net position as a percentage of the total pension liability	96.90%	97.50%	108.70%	99.20%	93.70%	87.00%	91.90%	87.30%	87.80%	90.20%
Firefighters System										
Proportion of the net pension liability (asset)	0.4238365%	0.3119669%	0.3928870%	0.4027346%	0.3776672%	0.3886043%	0.4050682%	0.3930163%	0.2134537%	0.0000000%
Proportionate share of the net pension liability (asset)	\$ (99,472)	\$ (81,019)	\$ (229,138)	\$ (112,613)	\$ (46,838)	\$ 50,459	\$ (25,299)	\$ (3,098)	\$ (3,866)	\$ -
Covered employee payroll	\$ 161,824	\$ 116,287	\$ 130,986	\$ 131,392	\$ 120,921	\$ 119,749	\$ 118,394	\$ 110,627	\$ 56,193	\$ -
Proportionate share of the net pension liability (asset)	-61.47%	-69.67%	-174.93%	-85.71%	-38.73%	42.14%	-21.37%	-2.80%	-6.88%	0.00%
as a percentage of its covered-employee payroll										
Plan fiduciary net position as a percentage of the total pension liability	106.79%	108.40%	120.10%	110.50%	105.00%	94.30%	103.00%	100.40%	101.00%	0.00%
Tier 2 Public Employees Retirement System										
Proportion of the net pension liability (asset)	0.0503389%	0.0501107%	0.0387533%	0.0318964%	0.0350541%	0.0325277%	0.0315360%	0.0246362%	0.0307646%	0.0324165%
Proportionate share of the net pension liability (asset)	\$ 97,979	\$ 54,565	\$ (16,402)	\$ 4,588	\$ 7,884	\$ 13,931	\$ 2,780	\$ 2,748	\$ (67)	\$ (982)
Covered employee payroll	\$ 1,301,435	\$ 1,092,117	\$ 718,929	\$ 509,909	\$ 487,062	\$ 379,389	\$ 308,303	\$ 202,035	\$ 198,763	\$ 158,967
Proportionate share of the net pension liability (asset)	7.53%	5.00%	-2.28%	0.90%	1.62%	3.67%	0.90%	1.36%	-0.03%	-0.60%
as a percentage of its covered-employee payroll										
Plan fiduciary net position as a percentage of the total pension liability	89.58%	92.30%	103.80%	98.30%	96.50%	90.80%	97.40%	95.10%	100.20%	103.50%
Tier 2 Public Safety and Firefighters Retirement										
Proportion of the net pension liability (asset)	0.2388572%	0.1966880%	0.11106184%	0.1127254%	0.1320884%	0.1118523%	0.0036548%	0.0322655%	0.0485649%	0.0000000%
Proportionate share of the net pension liability (asset)	\$ 89,976	\$ 16,409	\$ (5,591)	\$ 10,111	\$ 12,425	\$ 2,803	\$ (42)	\$ (280)	\$ (710)	\$ -
Covered employee payroll	\$ 905,040	\$ 605,165	\$ 264,531	\$ 224,139	\$ 217,702	\$ 149,623	\$ 3,846	\$ 26,658	\$ 28,961	\$ -
Proportionate share of the net pension liability (asset)	9.94%	2.71%	-2.11%	4.51%	5.71%	1.87%	-1.10%	-1.05%	-2.45%	0.00%
as a percentage of its covered-employee payroll										
Plan fiduciary net position as a percentage of the total pension liability	89.10%	96.40%	102.80%	93.10%	89.60%	95.60%	103.00%	103.60%	110.70%	0.00%

City of Santa Clara
SCHEDULE OF CONTRIBUTIONS
June 30, 2024
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	\$ 223,327	\$ 223,327	\$ -	\$ 1,209,634	18.46%
	2016	207,823	207,823	-	1,125,190	18.47%
	2017	210,192	210,192	-	1,138,016	18.47%
	2018	232,513	232,513	-	1,263,370	18.40%
	2019	241,664	241,664	-	1,324,708	18.24%
	2020	233,715	233,715	-	1,307,007	17.88%
	2021	241,200	241,200	-	1,348,663	17.89%
	2022	232,873	232,873	-	1,323,100	17.60%
	2023	218,669	218,669	-	1,231,271	17.76%
	2024	231,795	231,795	-	1,300,978	17.82%
Firefighters System	2016	4,058	4,058	-	101,703	3.99%
	2017	4,382	4,382	-	112,642	3.89%
	2018	4,925	4,925	-	125,318	3.93%
	2019	5,615	5,615	-	121,810	4.61%
	2020	5,960	5,960	-	126,208	4.72%
	2021	6,162	6,162	-	133,668	4.61%
	2022	4,864	4,864	-	105,504	4.61%
	2023	5,962	5,962	-	165,145	3.61%
	2024	5,299	5,299	-	146,790	3.61%
Tier 2 Public Employees System*	2015	25,814	25,814	-	172,785	14.94%
	2016	29,493	29,493	-	197,809	14.91%
	2017	35,964	35,964	-	241,204	14.91%
	2018	52,947	52,947	-	350,410	15.11%
	2019	67,125	67,125	-	431,813	15.54%
	2020	79,415	79,415	-	507,124	15.66%
	2021	93,667	93,667	-	592,957	15.80%
	2022	142,185	142,185	-	884,784	16.07%
	2023	199,201	199,201	-	1,244,230	16.01%
	2024	209,662	209,662	-	1,309,569	16.01%
Tier 2 Public Safety and Firefighter System *	2016	5,127	5,127	-	47,696	10.75%
	2017	852	852	-	7,923	10.75%
	2018	7,985	7,985	-	73,802	10.82%
	2019	20,352	20,352	-	179,439	11.34%
	2020	25,721	25,721	-	226,016	11.38%
	2021	31,751	31,751	-	227,014	13.99%
	2022	50,366	50,366	-	357,715	14.06%
	2023	119,191	119,191	-	844,064	14.12%
	2024	122,074	122,074	-	868,286	14.06%
Tier 2 DC Public Employees System *	2015	1,334	1,334	-	19,856	6.72%
	2016	2,570	2,570	-	38,421	6.69%
	2017	2,038	2,038	-	45,410	6.69%
	2018	4,257	4,257	-	63,626	6.69%
	2019	4,642	4,642	-	69,382	6.69%
	2020	2,579	2,579	-	38,544	6.69%
	2021	2,744	2,744	-	41,021	6.69%
	2022	4,783	4,783	-	71,495	6.69%
	2023	7,911	7,911	-	127,803	6.19%
	2024	12,024	12,024	-	194,242	6.19%
Tier 2 DC Public Safety and Firefighter System *	2018	19	19	-	23,736	0.08%
	2019	45	45	-	56,590	0.08%
	2020	47	47	-	59,389	0.08%
	2021	50	50	-	63,169	0.08%
	2022	46	46	-	57,407	0.08%
	2023	71	71	-	88,226	0.08%
	2024	177	177	-	220,708	0.08%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created July 1, 2011. Contributions as a percentage of covered payroll may be different than the board certified rate due to rounding and other administrative practices.

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**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***

The Honorable Mayor and
Members of the City Council
Santa Clara City, Utah

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, and the aggregate remaining fund information of Santa Clara City, Utah, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Santa Clara City, Utah's basic financial statements and have issued our report thereon dated November 12, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Santa Clara City, Utah's internal control over financial reporting (internal control) to determine the audit 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 Santa Clara City, Utah's internal control. Accordingly, we do not express an opinion on the effectiveness of Santa Clara City, Utah's internal control.

A *deficiency in internal control* exists when the design or operation of 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Santa Clara City, Utah's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

HintonBurdick, PLLC

HintonBurdick, PLLC

St. George, UT

November 12, 2024



**Independent Auditor's Report on Compliance and
Report on Internal Control Over Compliance
As Required by the *State Compliance Audit Guide***

The Honorable Mayor and
Members of the City Council
Santa Clara City, Utah

Report On Compliance with General State Compliance Requirements

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

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

- Budgetary Compliance
- Fund Balance
- Justice Court
- Restricted Taxes and Other Related Restricted Revenue
- Fraud Risk Assessment
- Governmental Fees
- Cash Management
- Enterprise Fund Transfers, Reimbursements, Loans and Services
- Impact Fees
- Utah Retirement Systems
- Public Treasurer's Bond
- Open and Public Meetings Act

Management's Responsibility

Management is responsible for compliance with general state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the City or its major state programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on General State Compliance Requirements

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide*.

Report on Internal Control Over Compliance

Management of Santa Clara City, Utah is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with the state compliance requirements referred to above to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with these state compliance requirements 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

HintonBurdick, PLLC

HintonBurdick, PLLC

St. George, UT

November 12, 2024



**Findings and Recommendations
For the Year Ended June 30, 2024**

The Honorable Mayor and
City Council
City of Santa Clara, Utah

Ladies and Gentlemen:

During our audit of the funds of the City of Santa Clara, Utah, for the fiscal year ended June 30, 2024, we noted improvements to the City's accounting and budgeting system and wish to commend the City for their achievements. We also observed an item needing corrective action in order for the City to be in compliance with laws and regulations. This item is discussed below for your consideration.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Material Weaknesses:

None noted

Significant Deficiencies:

None noted

COMPLIANCE AND OTHER MATTERS

State Compliance Findings:

None noted

Other Matters:

None noted

This letter is intended solely for the use of the Mayor, City Council and management and is not intended to be used and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

It has been a pleasure to be of service to the City this past year. We would like to express special thanks to all those who assisted us so efficiently in this year's audit. We invite you to ask questions of us throughout the year as you feel necessary. We look forward to a continued professional relationship.

Sincerely,
HintonBurdick, PLLC
HintonBurdick, PLLC
November 12, 2024

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