



HARRISVILLE CITY

363 W. Independence Blvd · Harrisville, Utah 84404 · 801-782-4100
www.cityofharrisville.com

MAYOR:
Michelle Tait

COUNCIL MEMBERS:
Grover Wilhelmsen
Steve Weiss
Blair Christensen
Max Jackson
Karen Fawcett

CITY COUNCIL AGENDA

February 11th, 2025

[Zoom Meeting Link](#)

Meeting ID: 876 5992 9509

Passcode: 357932

7:00 PM City Council Meeting

Presiding: Mayor Michelle Tait
Mayor Pro Tem: Steve Weiss

1. **Call to Order** [Mayor Tait]
2. **Opening**
 - a. Pledge of Allegiance [Council Member Jackson]
3. **Consent Items**
 - a. Approval of meeting minutes for January 14th, 2025 and January 28th, 2025 as presented.
 - b. Advice and consent to ratify Mayor's appointment for Weber Mosquito Abatement District Board.
4. **Oath Of Office**
 - a. Oath Of Office
5. **Business Items**
 - a. Discussion/possible action to accept the FY 2024 Audit Report [Rob Wood]
 - b. Discussion/possible action to modify Spring/Fall Clean-Up for Garbage Services. [Jennie Knight]
 - c. Discussion/possible action to surplus miscellaneous items. [Jennie Knight]
 - d. 2025 City Goals [Jennie Knight]
6. **Public Comment – (3 Minute Maximum)**
7. **Mayor/Council Follow-up**
8. **Closed Executive Session** - For the purposes described in UCA 52-4-205(1)(a); for discussion of the character, professional competence, or physical or mental health of an individual.
9. **Adjournment**

The foregoing City Council agenda was posted and can be viewed at City Hall, on the City's website www.cityofharrisville.com, and at the Utah Public Notice Website at <http://pmn.utah.gov>. Notice of this meeting has also been duly provided as required by law.

In accordance with the Americans with Disabilities Act, the City of Harrisville will make reasonable accommodations for participation in the meeting. Requests for assistance may be made by contacting the City Recorder at (801) 782-4100, at least three working days before the meeting.

Posted: By: Jack Fogal, City Recorder.

**MINUTES
HARRISVILLE CITY COUNCIL
January 14, 2025
363 West Independence Blvd
Harrisville, UT 84404**

Minutes of a regular Harrisville City Council meeting held on January 14th, 2025 at 7:00 P.M. in the Harrisville City Council Chambers, 363 West Independence Blvd., Harrisville, UT.

Present: Mayor Michelle Tait, Council Member Karen Fawcett, Council Member Grover Wilhelmsen, Council Member Blair Christensen, Council Member Max Jackson
Council Member Steve Weiss.

Excused: Jennie Knight, City Administrator.

Staff: Justin Shinsel, Public Works Director, Jack Fogal, City Recorder, Mark Wilson, Chief of Police, Brody Flint, City Attorney, Bryan Fife, Parks and Recreation Director, Detective Jason Keller, Jill Hunt, City Treasurer, Sgt. Alicia Davis.

Visitors: Arnold Tait, Elisabeth Hansen, Ian Greenhalgh, Laren Nicholas, Zach Nicholas, Frances Hood, Steve Hood, Kathleen Hahosh, Jason Hadley.

1. Call to Order.

Mayor Tait called the meeting to order and welcomed all in attendance.

2. Opening Ceremony.

Council Member Christensen opened with the Pledge of Allegiance.

3. Consent Items

a. Approval of Meeting Minutes for December 10th, 2024 as presented.

Motion: Council Member Weiss made a motion to approve the meeting minutes for December 10th, 2024 as presented, second by Council Member Wilhelmsen.

The vote on the motion was as follows:

Council Member Wilhelmsen, Yes
Council Member Weiss, Yes
Council Member Christensen, Yes
Council Member Jackson, Yes
Council Member Fawcett, Yes

The motion passed unanimously

4. Employee Recognition.

- a.** Chief Wilson recognized Detective Keller for receiving the Officer of the Year from the FOP for the second year in a row. Detective Keller has also finished his fifth year with the department and completed his master officer training.

5. Business Items.

a. Youth City Council Presentation

Ian Greenhalgh explained in December the YCC helped out with an event where they played games with kids so their families could go shopping. They played games with the kids for a few hours and did crafts. It was an all hands on deck activity. There were multiple schools helping with the activity. They were able to help out over 600 families. There is a multi-council training coming up at the cabin with the North Ogden and Cache Valley YCCs. The Youth Council Leadership training will be in March. It is a three-day training. The YCC is asking for ideas for a service project to benefit the city.

b. FY 2025 Audit Presentation.

Mayor Tait explained this item needs to be tabled. The auditor and Jill Hunt are still working to complete it.

Motion: Council Member Weiss made a motion to table the FY 2025 Audit presentation, second by Council Member Christensen.

The vote on the motion was as follows:

Council Member Wilhelmsen, Yes
Council Member Weiss, Yes
Council Member Christensen, Yes
Council Member Jackson, Yes
Council Member Fawcett, Yes

The motion passed unanimously.

c. Discussion For The Governor's Office Of Economic Opportunity Rural Communities Opportunity Grant.

Justin Shinsel explained for the past two years he has been working on this grant with the rural opportunities team. Initially we were going to receive \$400,000, but the amount was changed to \$600,000 due to some other projects not being ready. This will put utilities under the new road 1750 North Street. This will help the city with funding for the road along with federal grants we have applied for.

Motion: Council Member Wilhelmsen made a motion to accept the Governor's Office of Economic Opportunity Rural Communities Grant, second by Council Member Weiss.

The vote on the motion was as follows:

Council Member Wilhelmsen, Yes
Council Member Weiss, Yes
Council Member Christensen, Yes
Council Member Jackson, Yes
Council Member Fawcett, Yes

The motion passed unanimously.

d. Discussion/Possible Action To Approve The Federal Aid Agreement With UDOT For Construction Of 1750 N. St.

Justin Shinsel explained late Monday night we received the packet from UDOT. It has been reviewed by Brody Flint and approved. It includes \$2,000,000 in federal funding for 1750 North. The city needs to provide a like match of \$250,000. The like match can be in funds or work done for the project. This is the start to accepting the agreement and allows us to conduct the environmental studies needed for the project. Council Member Jackson inquired how they determine the in-kind rates. Justin Shinsel stated they have a federal rate they use when assigning a dollar amount to the work performed.

Motion: Council Member Jackson made a motion to approve the Federal Aid Agreement with UDOT for construction of 1750 N. St., second by Council Member Fawcett.

The vote on the motion was as follows:

Council Member Wilhelmsen, Yes
Council Member Weiss, Yes
Council Member Christensen, Yes
Council Member Jackson, Yes
Council Member Fawcett, Yes

The motion passed unanimously.

e. Discussion/Possible Action For 2025 City Goals.

Mayor Tait asked Council to think of goals for the city and prepare to share them at a later meeting.

Motion: Council Member Weiss made a motion to table the 2025 City Goals, second by Council Member Fawcett.

The vote on the motion was as follows:

Council Member Wilhelmsen, Yes
Council Member Weiss, Yes
Council Member Christensen, Yes
Council Member Jackson, Yes
Council Member Fawcett, Yes

The motion passed unanimously.

6. Public Comment

Mayor Tait opened the public comment period.

No public comment was offered.

Mayor Tait closed the public comment period.

7. Mayor/Council Follow-up

a. Training

Brody Flint conducted training for non-discrimination, public meetings act, and social media. He stated there is a good group of people working with the city. He has had no issues with discrimination from elected officials or staff. You cannot discriminate against anyone for any protected issue. As City Council members you should conduct yourself professionally. The city is required to have one City Council Meeting a month. If a quorum cannot make it, you must reschedule the meeting for a different date during that month. Any time there is quorum city business is being discussed; it must be public noticed appropriately. This does not mean you cannot meet at a social event or chance gathering, but be aware there can be no discussion of city business. You need to be careful with technology. A text group could be inappropriate if you are discussing city business. If you have something to say it needs to be in a public meeting. If there are three Council Members talking together with a citizen it would be a public meeting and must be done in a public meeting. We cannot deliberate outside of a public meeting. If you are using a personal social media account to act as a city official it is a public account and it has strict rules of what can and cannot be done. If you want to be active on social media create an account separate from your personal account to act as a city official. You cannot block or delete comments from these public accounts. You must either allow all comments or turn off all comments. If you use personal social media be careful what you are saying on that account. You cannot relay city business on that account. His recommendation is to have a separate account for personal social media and one as an elected official.

Bryan Fife reported that boys' basketball has started. Parks and Recreation are organizing their shop during the winter months. He is working on his budget presentation for Council.

Justin Shinsel stated it has been a mild winter. He has a meeting with the railway inspector tomorrow. They have completed all of the infrastructure needed to reinstate the quiet zone. He is working with Union Pacific to create a separate quiet zone for Harrisville not tied to Pleasant View's quiet zone. The tentative move in date for the new building is March 15. The building is progressing and looks beautiful. He is preparing for the next budget season and will be ready to present to Council at the work session.

Chief Wilson explained they have conducted four interviews and hired a new officer who starts tomorrow. They have two candidates coming back for second interviews. The department is working to complete their BCI audit.

Council Member Wilhelmsen inquired about all of the pipes by Dixon Creek. Justin Shinsel stated the city has entered into a franchise agreement with Connex Fiber Optic. They will be installing new fiber lines in the city.

Council Member Weiss reported on the senior luncheon. They played bingo and had a great time.

Mayor Tait reminded Council that there is a work session at the cabin on January 28th at 6 PM.

8. Closed Executive Session - For the purposes described in UCA 52-4-205(1)(a); for discussion of the character, professional competence, or physical or mental health of an individual.

Mayor Tait tabled the Closed Executive Session.

9. Adjournment

Motion: Council Member Weiss motioned to adjourn the meeting, second by Council Member Fawcett.

The vote on the motion was as follows:

Council Member Wilhelmsen, Yes
Council Member Weiss, Yes
Council Member Christensen, Yes
Council Member Jackson, Yes
Council Member Fawcett, Yes

The motion passed unanimously.

The meeting adjourned at 7:27 P.M.

MICHELLE TAIT
Mayor

ATTEST:

Jack Fogal
City Recorder
Approved this 11th day of February, 2025

MINUTES
HARRISVILLE CITY COUNCIL WORK SESSION
January 28, 2025
725 W Harrisville Road
Harrisville, UT 84404

Minutes of a regular Harrisville City Council meeting held on January 28, 2025 at 6:00 P.M. at the Harrisville City Cabin, 725 W. Harrisville Rd., Harrisville, UT.

Present: Mayor Michelle Tait, Council Member Karen Fawcett, Council Member Grover Wilhelmsen, Council Member Blair Christensen, Council Member Max Jackson.

Excused: Council Member Steve Weiss

Staff: Jennie Knight, City Administrator, Mark Wilson, Chief of Police, Justin Shinsel, Public Works Director, Jack Fogal, City Recorder, Bryan Fife, Parks and Recreation Director, Jill Hunt, City Treasurer,

Visitors:

1. Welcome and Agenda Overview

Mayor Tait called the meeting to order and welcomed all in attendance.

2. Budget Discussion for Fiscal Year 2025

Jennie Knight explained tonight's discussion will be more casual, if you have questions ask and we can discuss. She reported that the 2024 fiscal year audit report will be presented during the February Council Meeting. We want to go through the budget for this year and show what needs have been identified and where we are at with projects. Department heads have been asked to provide an overview of their departments and budget. We will also review some goals and answer questions that you have.

Bryan Fife reported he is asking to increase his Equipment line item. He has normally operated certain items from his Miscellaneous line item. Some of them are being re-allocated to the Equipment line item. He is asking for a \$7,000 increase to purchase an event trailer. There will be a \$4,000 increase to training to allow more employees to go to their annual conference. He is anticipating an increase in the Fuel line item. This fiscal year there was a \$5,000 increase in the Miscellaneous and Baseball funds to purchase new equipment. This was done mistakenly and he only needed the money in one of the funds. He does not think the money will be expended by July 1; he would like for it to be kept in that fund for next year. The \$5,000 is to help stay ahead of growth. Some cities like Plain City have been borrowing equipment trying to gather enough, we do not want to be in that situation. The Fall Festival line item has been increased by a few thousand dollars. It will be used for the mass gathering permit and to bring in extra porta-potties. Sprinklers and Irrigation line item has been increased to \$14,000. The Miscellaneous fund has increased to redo the wood chips at the parks every two to three years going forward. He is asking for \$4,000 to xeriscape at Harrisville Park. There will be an increase for porta-potty rentals to \$5,950. The Miscellaneous line item will be \$12,450. Our playgrounds are starting to see some wear. Kevin Wilbur with the department has a national playground certification. He has been conducting internal audits of all our equipment. In a few years we are looking at roughly \$20,000 cost to renovate the playground equipment at Harrisville West Park. The

biggest increase is the Capitol Improvements line item to expand the compound fence at the park. Ideally the new fence would be approved next year and add a new shed approved next year for event items. Council Member Christensen inquired if there are any grants we can apply for. Mayor Tait stated yes there are grants plus the state just opened new grants that we had not been previously eligible for. We may be able to help use those grants to help cover the playground equipment cost. Bryan Fife inquired if the spring and fall cleanup will be put under its own line item or under the garbage fund. Jennie Knight explained she would review that item at a later time during the meeting. Council Member Fawcett inquired if the decreases in line items will help compensate for the increases. Bryan Fife stated the movie in the park budget will decrease by \$2,000. Overtime will reduce by \$1,000. We are lowering the movies in the park from 4 events to 2. Pleasant View and North Ogden do the movies as well and the consensus was that every weekend has a movie. With less events we are hoping to have increased attendance.

Chief Wilson explained he has increases in the Salaries line item to cover cost-of-living increase. He would like Council to consider allowing the creation of the Lieutenant position. We will not be adding an officer just promoting internally. Assistant Chief Moore will be retiring in January of next year. The increase from Sergeant to Lieutenant is about \$2 an hour. Council Member Jackson inquired if the Assistant Chief role will be filled when Dennis Moore leaves. Mark Wilson explained after Assistant Chief Moore leaves, we would fill the position with the Lieutenant and let the Lieutenant position become dormant. Part time wages will be increased. Last year the victims advocate was the only position funded from that line item, this year part time officers, the crossing guard, and code enforcement need to be added to the fund. Council Member Jackson inquired if tier two employees are getting the 25 years 35% for retirement. Jill Hunt answered it depends what options they take. They can take hybrid or 401k. Chief Wilson explained the Insurance line item usually comes in under budget because we have two officers that opt to not use our insurance. It is better to leave the funds in case those officers leave and their replacements opt to use our insurance. The court bailiffs line item will increase 5% based on our contract with them. Our radios are being sold to the county next year, we would like to add those funds back into our Equipment line items to finish outfitting our shotguns and rifles or new training equipment. The department will be asking for two new vehicles and selling two. Most of the budget will be similar to last year with some minor changes. Council Member Jackson inquired if we are still purchasing explorers. Chief Wilson stated yes, we will try and stay with the police interceptor models. Our twelfth officer is funded by the COPS grant. Those funds might have been frozen today we are not sure yet. They cover 42% of \$26 per hour, for three years. If those funds are no longer usable, we may have to reconsider the twelfth officer. We have been looking at some officers that recently completed post to fill our empty positions. Council Member Wilhelmsen inquired if the pay is competitive. Chief Wilson stated our current wage is under the average. We just lost a guy to the county and he got a \$5 per hour increase. Jill Hunt completes wage studies to keep us competitive but it is a constantly changing target. Mayor Tait inquired if we are keeping code enforcement. Chief Wilson stated that is up to Council. We have been utilizing him to help investigate backgrounds when hiring people if code enforcement is slow. Council Member Fawcett inquired how many hours is code enforcement working. Jill Hunt stated he averages less than 20 hours a week. Mayor Tait inquired if we are caught up on code enforcement. Jennie Knight stated we are caught up currently, we have several cases in probate. Those cases take time but we have done what we can. Council Member Wilhelmsen inquired what would the increase to part time wage be to keep code enforcement. Chief Wilson stated to maintain code enforcement will be approximately \$28,000 a year. The department has been down officers for about six months and guys are getting a little burnt out. Council Member Wilhelmsen inquired how many we are down. Chief Wilson stated

we just hired our tenth officer but we are still two below our goal, but one of those officers will not be hired until we know what will happen with the COPS grant.

Justin Shinsel explained Public Works has two different types of funds General Funds and Enterprise Funds. The General Fund will be approximately the same with no major increases or decreases. The roads account is budgeted based on the revenue from B and C road funds and from the transportation tax levied by the county. It brings in approximately \$480,000 in revenue a year. This pays for the roads lead, the roads helper, and a third of the cost for the assistant director. The only increase is to cover the cost-of-living increase. The fund balance will be affected by the addition of 1750 North to cover our in-kind money for the grants we have been awarded. We will need to maintain \$150,000. The department will self-perform any work they can to recapture that money. He is asking for the Equipment line item to increase to \$125,000. We are asking to get a walk behind push road striper to redo small projects like parking lots and small fixes. We would still need to hire a third-party company to do major projects. The self-striper is \$8,000. Council Member Wilhelmsen inquired if it would save us money in the long run. Justin Shinsel stated yes it will save us a lot of money. The department would like to purchase a \$7,000 grinder that is meant to grind down the sidewalk lip to ensure we are complaint. We are also looking at purchasing equipment to clean out the trucks so we can seal our own asphalt. We are grateful to Council for allowing us to get equipment to do our jobs safely. Your support is appreciated. The Sewer Fund is going to be a topic that will be brought before Council in a meeting in the future. We received a letter from Central Weber Sewer that our treatment fees of approximately \$104,000 a quarter would be increasing. There is a minimum increase of 2% per year and additional increases based on growth. We will be looking at what those numbers will be so we can stay on top of the cost. We are asking Zions Bank to help with a third-party survey of rates which is required by state law. Right now, the sewer is running good but not great. If we have a major disaster and cannot get help from outside agencies, we will not be able to cover the cost to rebuild. These enterprise funds need to keep a positive fund balance to make sure we can cover small emergencies. We bring in approximately \$750,000 a year in revenue for sewers and \$412,000 goes directly to Central Weber. We require two employees to stay up on sewer maintenance. We use the funds we have to make upgrades that will benefit the sewers but the fund balance is not growing appropriately. We are just barely keeping our nose above water. Mayor Tait explained about the renovations of the treatment plant from chlorine to ultraviolet light and it will cause an increase to our cost. Justin Shinsel stated it will increase based on Central Weber's cost. We will also be charged more because we have more homes being built in the city. With the increase we are anticipating the minimum payment to Central Weber to be approximately \$472,000 per year. Council Member Wilhelmsen inquired how the sewer looks for the long-term future 20 years down the road. Justin Shinsel stated development helps public works. We will get more work but also more funding. Some of the projects in the city will help out because of the density. If we keep on trajectory, we are doing good. We will realistically never be able to cover a catastrophic event like whole city sewer replacement just from fund balance. We should build some fund balance but it needs to be realistic. The totality of Public Works budget will be a decrease not an increase because of the new building. It does not show on the general fund because of the enterprise funds. The department would like to sell one diesel truck and add two gas trucks. The street lights are in a good position. The Garbage Fund is in the positive and not the negative for the first time in years. He is working with Jill Hunt to make sure they are staying on top of the Garbage Fund to ensure it stays positive. Some of these enterprise funds are hard to balance because it is based on third party service costs which can fluctuate. Jennie Knight explained we have a positive balance in the garbage fund currently. We make monthly payments to Waste Management. The contract with them is up in June. We are trying to coordinate with the Waste

Management representative to present to Council. Currently we get a discount on garbage services if we contract for recycling services as well. Historically we do spring and fall cleanup because we do not have a green waste or a dump. It is up to Councils discretion if we keep doing it. It costs approximately \$7,000 per cleanup. With the new public works building we can possibly use it to secure the dumpsters, or to have an employee verify that they are Harrisville residents. Bryan Fife stated the thought behind this project was to encourage people to clean up their properties. We are seeing lots of construction waste, mattresses, box springs and things like that. Council Member Fawcett stated she believes there is some misuse of the clean ups. Council Member Wilhelmsen stated he has heard of construction agencies dumping in the bins at night. Justin Shinsel stated he knows some agencies lock up the dumpsters at night. We would have to review the cost and see if it would save us money. Bryan Fife stated we have seen a large increase of people dumping in the park garbage cans. Justin Shinsel stated when we negotiate this new contract with Waste Management, we need to be open and transparent with the residents that if they want certain services there is a cost associated with it. Some agencies have eliminated the recycling cans and it has caused residents to be upset.

Jennie Knight explained the \$9,000,000 bond unraveling is complicated and we will be meeting with financial advisors during the beginning of February to discuss options. The goal is to report on options during the February Council Meeting. The Public Works building will be completed and wrapped up in March. There will need to be some amendments to the budget in June when we get final numbers for the building. The parks facility plans and analysis is almost completed. We are hoping to present it in March. The contracted planning services are working well for the admin team. It has freed up her schedule and allowed her to help work on grants for the city like the GOEO grant. We are watching the Planning Services line item closely to make sure we budgeted appropriately. Some of the development cost will offset the contracted pricing for the planner but we will not know the amount till closer to the end of the year. We had the goal in 2024 to do a utility analysis. We are getting bids to do the analysis. As the Four Mile Special Service District Board staff will bring a study before you showing what the rate should be for residents of the district. Council Member Wilhelmsen inquired how are we paying for the fees for these studies. Jennie Knight stated the average cost is \$6,000-10,000 and are paid for out of the fund that is relevant to the fee. The business license fee study was adopted and we did receive some minor pushback. Overall business license fee revenue increased and is maintaining. We are expecting new moderate income housing legislation. External accessory dwelling units are being pushed by the state legislature. The current bill would allow one on any lot of 10,000 square feet or over. Which covers all zones in our city. The Governor's officer released their first stage of their strategic housing plan. Dixon Creek is looking to pull 200 building permits for their project on 1300 North. We are expecting to hold truth in taxation but currently it looks like staff will recommend maintaining the rate, not increasing. Staff will not know for sure until the rates are provided by the county. We have to declare early if we are going to do truth in taxation and want the city to be prepared. Department heads are working on providing a capitol improvement plan to meet our moderate-income housing goals. Flagship Homes goal is to break ground on Ben Lomond this year.

Council Member Jackson inquired what is the audit the state does for the moderate-income housing and what would happen if we ignored it. Jennie Knight explained it is the moderate-income housing report and if we do not meet the plan, we pay a daily fine until we come into compliance. Council Member Jackson inquired what is our current population. Jennie Knight explained we have approximately 7,000 residents.

Council Member Christensen inquired about the ground breaking at Ben Lomond. Jennie Knight explained she has been talking to Flagship homes, the new developer, and they stated they have purchased the project and would like to start putting things out to bid. Council Member Jackson inquired if they asked about a PID. Jennie Knight stated no, they have not inquired about PID. Mayor Tait reported Scott Kirkland who is the lender for the project would like to do a ground breaking for the new playground and restroom. Jennie Knight explained once the parks bathrooms are completed city staff is looking at putting up cameras outside the bathrooms. When staff is ready, they would bring it before Council for a decision.

Council Member Wilhelmsen stated he believes we need to discuss what to do with dumpsters for cleanup. It is out of control. Council Member Fawcett inquired can we do a nominal fee like \$5 per truck load. Justin Shinsel stated that has the potential to work but would be complicated. They would need to buy a pass at city hall before going to the dump area. He suggested trying the cleanups at the new public works building and make a decision after. Mayor Tait inquired could we be responsible for people dumping in the developers' dumpsters. Justin Shinsel stated no, they would go after those people. Council Member Wilhelmsen stated he likes providing the service to our residents but wants to figure out how we can stop people from outside the city from abusing it. Bryan Fife stated he believes moving it to the public works building would be our best option. Jennie Knight stated we can try it at the public works building this year and bring you the cost next year.

Jennie Knight reminded Council that the league conference will the April 16-19 in St. George.

3. Adjournment

Mayor Tait adjourned the meeting and thanked everyone for their time and participation.

The meeting adjourned at 8:00 P.M.

MICHELLE TAIT
Mayor

ATTEST:

Jack Fogal
City Recorder
Approved this 11th day of February, 2025

CITY OF HARRISVILLE

**Financial Statements
and
Independent Auditor's Report**

For the Year Ended June 30, 2024

CITY OF HARRISVILLE

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CITY OF HARRISVILLE

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Financial Section

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-12 and the pension schedules on pages 55-57 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is

required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

February 4, 2025
Bountiful, Utah

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CITY OF HARRISVILLE
Management's Discussion and Analysis
Year Ended June 30, 2024

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

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$19,323,819 (\$17,942,853 in 2023) (*net position*), consisting of \$10,242,822 (\$8,372,885 in 2023) in net investment in capital assets, \$5,062,516 (\$5,400,774 in 2023) in restricted net position and an unrestricted net position of \$4,018,481 (\$4,169,194 in 2023).
- The City's net position increased during 2024 by \$1,380,966 (and by \$2,346,059 in 2023).
- The City's governmental funds reported combined fund balances of \$19,068,482 (\$21,354,330 in 2023). \$17,312,434 (\$19,398,235 in 2023) is either nonspendable, assigned, or restricted as to use, leaving an unassigned fund balance of \$1,756,048 (\$1,956,095 in 2023).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information.

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 the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish between the governmental activities and business-type activities of the City. Governmental activities are principally supported by taxes and intergovernmental revenues, while business-type activities are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City include general government, public safety, highways and public improvements, community development, and parks and recreation. The business-type activities of the City include utilities for sewer, stormwater, street lights, and garbage.

The government-wide financial statements can be found on pages 13-14 of this report.

CITY OF HARRISVILLE
Management's Discussion and Analysis
Year Ended 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 functions or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City are categorized as governmental funds.

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

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

The City maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital projects fund, and the four-mile special services district, the first two of which are reported as major funds (the four-mile special service district fund is deemed a nonmajor governmental fund, however, as it is the only one, it is reported with the others).

The governmental fund financial statements can be found on pages 15-19 of this report.

Proprietary funds. The City maintains proprietary funds including the sewer, stormwater, street lights, and garbage funds, which are enterprise funds, and one internal service fund in motor pool. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. These funds are all classified as major funds. The internal service funds is used to report the activities that provide goods or services to other funds on a cost-reimbursement basis. The City uses its internal service fund to account for the maintenance of its vehicles. Since these services predominantly benefit government rather than business-type functions, they have been included with governmental activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 20-24 of this report.

The City adopts an annual appropriated budget for all of its funds. Budgetary comparison statements have been provided for the governmental funds to demonstrate compliance with these budgets. Budgetary comparisons for the remaining funds can also be found in the supplementary section of these financial statements.

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 can be found on pages 25-53 of this report.

Required Supplemental Information. Information regarding pensions can be found on pages 55-57.

Other Supplemental information. Individual fund schedules can be found on pages 59-60 of this report.

CITY OF HARRISVILLE
Management's Discussion and Analysis
Year Ended June 30, 2024

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$19,323,819 at the close of the most recent year (\$17,942,853 as of June 30, 2023.)

As of June 30, 2024, \$10,242,822 or 53.0% (\$8,372,885 or 46.7% as of June 30, 2023) of the City's net position reflects its net investment in capital assets (e.g. land, buildings and improvements, machinery, equipment, vehicles, infrastructure assets, construction in progress). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position \$5,062,516 or 26.2% (\$5,400,774 or 30.1% as of June 30, 2023) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position represents net position which may be used to meet the government's ongoing obligations to citizens and creditors as cash is made available through the collection of taxes and other receivables. As of June 30, 2024 the City has unrestricted net position of \$4,018,481 or 20.8% (\$4,169,194 or 23.2% as of June 30, 2023).

The following table summarizes the City's net position:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 22,104,208	\$ 23,686,289	\$ 2,705,016	\$ 2,518,963	\$ 24,809,224	\$ 26,205,252
Capital assets	9,021,350	5,758,018	2,719,989	2,841,241	11,741,339	8,599,259
Total Assets	31,125,558	29,444,307	5,425,005	5,360,204	36,550,563	34,804,511
Total deferred outflows of resources	595,911	404,899	84,914	42,048	680,825	446,947
Current and other liabilities	1,517,026	680,196	125,672	84,708	1,642,698	764,904
Long-term liabilities	15,110,940	15,516,064	117,956	54,822	15,228,896	15,570,886
Total Liabilities	16,627,966	16,196,260	243,628	139,530	16,871,594	16,335,790
Total deferred inflows of resources	1,035,078	971,773	897	1,042	1,035,975	972,815
Net position:						
Net investment in capital assets	7,522,833	5,531,644	2,719,989	2,841,241	10,242,822	8,372,885
Restricted	4,418,953	4,664,694	643,563	736,080	5,062,516	5,400,774
Unrestricted	2,116,639	2,484,835	1,901,842	1,684,359	4,018,481	4,169,194
Total Net Position	\$ 14,058,425	\$ 12,681,173	\$ 5,265,394	\$ 5,261,680	\$ 19,323,819	\$ 17,942,853

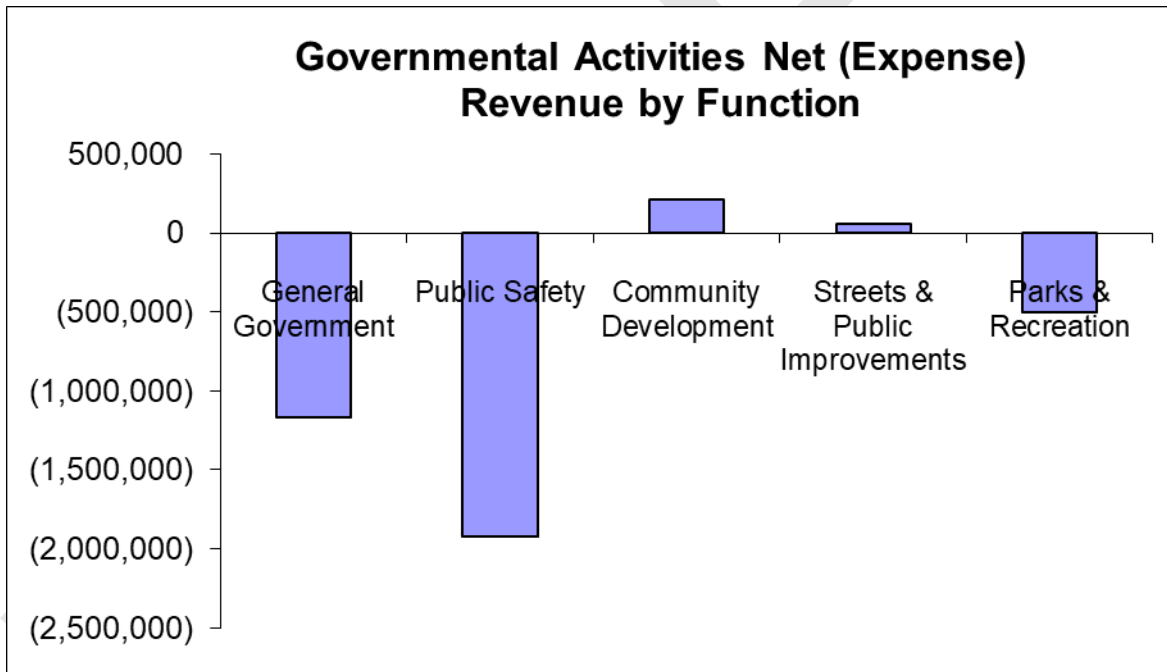
CITY OF HARRISVILLE
Management's Discussion and Analysis
Year Ended June 30, 2024

Governmental Activities

Governmental activities increased the City's net position by \$1,377,252 in 2024 (\$2,043,180 in 2023). Key elements in the change in net position include:

- Property taxes increased by \$43,717 in 2024 and \$615,310 in 2023. Increase in 2023 is due to 166% truth in taxation increase on the City's certified rate.
- Governmental program revenues decreased by \$930,926 in 2024 and an increase of \$1,084,484 in 2023. The largest decrease was related to capital grants and contributions, mainly from developer contributions of infrastructure assets of \$820,949 in 2023 and none in 2024.
- Governmental expenses increased by \$475,533 in 2024 and increased by \$761,765 in 2023. The 2024 primary increases were in public safety of \$294,413 mainly for police officer wage increases and \$197,691 in interest and fiscal charges because of an additional bond issued in 2023.

The following chart shows the net revenues or expenses by function for fiscal year 2024. For those that are negative, they rely on taxes and other general revenue to support their costs.



Business-type Activities

Business-type activities increased the City's net position by \$3,714 (\$302,879 in 2023). Key elements in the change in net position include:

- Charges for services increased by \$173,243, while capital grants and contributions decreased by \$273,619 compared to 2023.
- Operational expenses increased by \$150,076 in 2024 compared to \$245,383 in 2023. Sewer expenses increased by \$119,834 and garbage by \$38,991 in 2024.

CITY OF HARRISVILLE
Management's Discussion and Analysis
Year Ended June 30, 2024

The following table summarizes the City's operations:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 532,592	\$ 478,793	\$ 1,808,830	\$ 1,635,587	\$ 2,341,422	\$ 2,114,380
Operating grants and contributions	243,104	730,104	-	-	243,104	730,104
Capital grants and contributions	487,191	984,916	190,999	464,618	678,190	1,449,534
General revenues:						
Property taxes	1,053,545	1,009,828	-	-	1,053,545	1,009,828
Sales taxes	2,120,271	2,131,326	-	-	2,120,271	2,131,326
Franchise taxes	408,696	417,108	-	-	408,696	417,108
Interest income	1,231,065	521,187	111,372	86,796	1,342,437	607,983
Miscellaneous	38,922	119,494	35,786	22,100	74,708	141,594
Total Revenues	6,115,386	6,392,756	2,146,987	2,209,101	8,262,373	8,601,857
Expenses:						
General government	1,222,784	1,184,363	-	-	1,222,784	1,184,363
Public safety	2,119,901	1,825,488	-	-	2,119,901	1,825,488
Community development	71,284	30,265	-	-	71,284	30,265
Highways and public improvements	573,407	682,293	-	-	573,407	682,293
Parks and recreation	593,559	580,684	-	-	593,559	580,684
Interest on long-term debt	521,574	323,883	-	-	521,574	323,883
Sewer	-	-	735,482	615,648	735,482	615,648
Storm water	-	-	415,612	437,859	415,612	437,859
Street lights	-	-	49,830	36,332	49,830	36,332
Garbage	-	-	577,974	538,983	577,974	538,983
Total Expenses	5,102,509	4,626,976	1,778,898	1,628,822	6,881,407	6,255,798
Increase in net position before transfers	1,012,877	1,765,780	368,089	580,279	1,380,966	2,346,059
Transfers	364,375	277,400	(364,375)	(277,400)	-	-
Increase in net position	1,377,252	2,043,180	3,714	302,879	1,380,966	2,346,059
Net position - beginning as restated	12,681,173	10,637,993	5,261,680	4,958,801	17,942,853	15,596,794
Net position - ending	\$ 14,058,425	\$ 12,681,173	\$ 5,265,394	\$ 5,261,680	\$ 19,323,819	\$ 17,942,853

Financial Analysis of the Governmental Funds

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

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

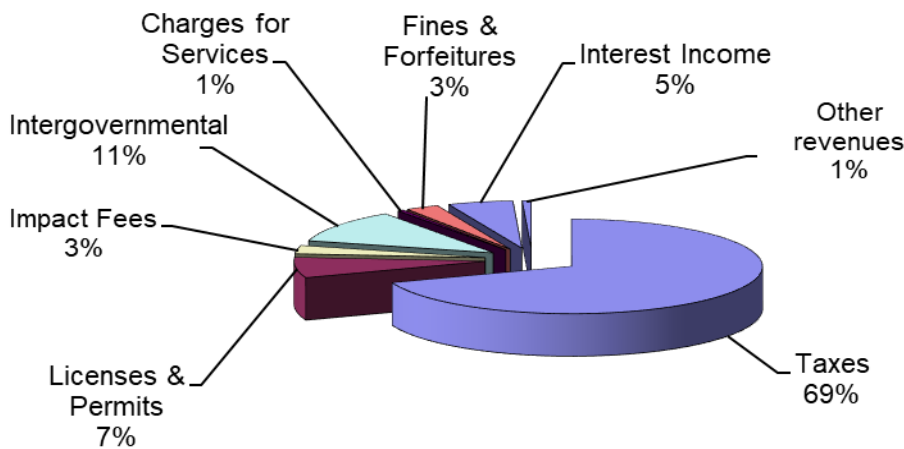
As of the end of the 2024 fiscal year, the City's governmental funds reported a combined ending fund balance of \$19,068,482 (\$21,354,330 in 2023). In 2024, the City showed a combined unassigned fund balances of \$1,756,048, compared to \$1,956,095 in 2023. The four-mile special service fund reported an assigned fund balance of \$1,391 in 2023, which was a \$1,311 increase. The general fund, capital projects fund, and four-mile special services fund all show positive amounts in 2023 for assigned and unassigned fund balance, which are available for spending at the government's discretion or for the purpose of the collection if assigned.

CITY OF HARRISVILLE
Management's Discussion and Analysis
Year Ended June 30, 2024

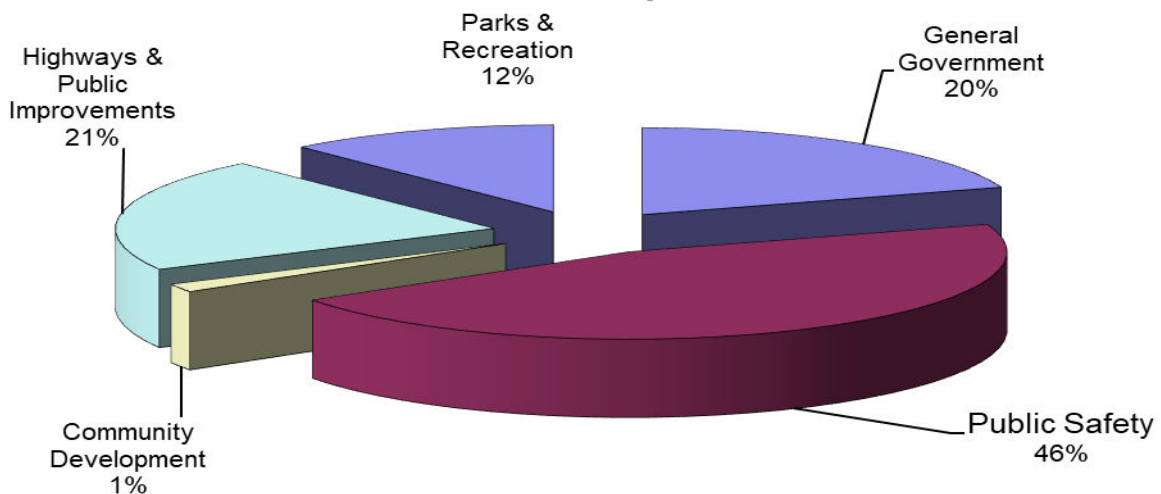
General Fund

The general fund is the chief operating fund of the City. At the end of the 2024 fiscal year, the unassigned fund balance of the general fund was \$1,756,048 (\$1,956,095 in 2023), which is available to help meet current operational needs. Revenues decreased in aggregate by \$81,798, but this was a result of decreases in intergovernmental revenues related to ARPA grants of \$406,653, while other revenue sources experienced slight increases. Expenditures increased by \$440,636 mainly across all departments as general costs were up with inflation. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund revenues and expenditures. The general fund's unassigned fund balance represents 34.0% of total general fund revenues and 38.0% of total general fund expenditures (37.3% and 46.8%, respectively, in 2023).

General Fund Revenue Sources



General Fund Expenditures



CITY OF HARRISVILLE
Management's Discussion and Analysis
Year Ended June 30, 2024

Capital Projects Fund

At the end of fiscal year 2024, the capital projects fund had a total fund balance of \$14,054,842 (\$16,451,969 in 2023), which consisted of \$13,076,094 in restricted fund balance and \$978,748 in assigned fund balance. Revenues included interest income of \$912,313, while expenditures included \$4,084,019 in debt service, capital outlay for construction projects mainly related to the design of the new public works building, and other non-capital costs. Activity in 2023 was only \$802,941 for debt service and capital outlay.

Four-Mile Special Service District

The fund balance in the four-mile special service district fund increased \$1,311 (increase of \$8,877 in 2023). The increases in 2024 and 2023 were mainly for development fees received with minimal expenditures.

Financial Analysis of the Proprietary Funds

Sewer Fund

The sewer fund's unrestricted net position increased by \$148,394 to a total of \$1,269,493 this fiscal year. The fund's operating income increased \$49,736 in 2024 with total fund balance increasing by \$135,225 for the fiscal year. The fund had an increase in net position of \$88,012 in 2023.

Storm Water Fund

The storm water fund's unrestricted net position decreased by \$19,689 to a total of \$573,219 this fiscal year. The storm water fund had an operating loss of \$7,184 and change in net position of a negative \$220,289 in 2024. The significant decrease was attributed to \$345,579 of transfer outs to pay for bond and assets associated with the new public works building that will be maintained by the general government as part of the new building costs. The fund had an increase in net position of \$249,023 in 2023.

Street Lights Fund

The street lights fund's net position increased by \$3,754 to a total of \$44,138 this fiscal year. The fund had an decrease in net position of \$3,254 in 2023.

Garbage Fund

The garbage fund's net position increased by \$85,024 compared to a decrease of \$30,902 in 2023. The fund has a deficit net position of \$70,032 in 2023, but this was eliminated in 2024 mainly due to a transfer subsidy from the general fund for \$84,000. The services are contracted with Waste Management.

General Fund Budgetary Highlights

During the fiscal year, the general fund's budget was amended from an original expenditure budget of \$5,553,258 to a final budget of \$5,733,758 an increase of \$180,500. This increase was related primarily to budgeting for increased salary and wages and other general government expenditures for inflation and professional services needed. The increase was funded from interest revenues, as well as projected use of fund balance reserves. The City's actual expenditures of \$4,618,829 resulted in a net savings of \$1,114,929 for operations.

CITY OF HARRISVILLE
Management's Discussion and Analysis
Year Ended June 30, 2024

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets as of June 30, 2024 amounts to \$11,741,339, net of accumulated depreciation (\$8,599,259 in 2023). This investment in capital assets includes land, buildings and improvements, infrastructure, machinery, equipment, vehicles, and construction in progress.

Major capital asset events during the current fiscal year include the following:

- Vehicles and equipment and improvements totaling \$1,012,278.
- Construction and design costs for new buildings totaling \$2,960,080

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land and right of ways	\$ 620,040	\$ 620,040	\$ 92,000	\$ 92,000	\$ 712,040	\$ 712,040
Construction in progress	3,267,479	279,603	-	27,796	3,267,479	307,399
Buildings	732,957	732,957	-	-	732,957	732,957
Other improvements	2,188,757	1,795,692	-	-	2,188,757	1,795,692
Machinery, equipment, and vehicles	3,018,870	2,535,710	191,845	191,845	3,210,715	2,727,555
Infrastructure	5,094,592	5,087,268	3,859,239	3,824,239	8,953,831	8,911,507
Accumulated depreciation	(5,901,345)	(5,293,252)	(1,423,095)	(1,294,639)	(7,324,440)	(6,587,891)
Total Capital Assets	\$ 9,021,350	\$ 5,758,018	\$ 2,719,989	\$ 2,841,241	\$ 11,741,339	\$ 8,599,259

Additional information on the City's capital assets can be found in Note 6 of the financial statements.

Long-term debt. At the end of the current fiscal year, the City had total long-term debt outstanding (excluding net pension liability) of \$14,328,000, which included two sales and franchise tax revenue bonds for new building construction of a public works facility and City Hall.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Bonds payable	\$ 14,328,000	\$ 14,760,000	\$ -	\$ -	\$ 14,328,000	\$ 14,760,000
Leases payable	-	105,094	-	-	-	105,094
Total	\$ 14,328,000	\$ 14,865,094	\$ -	\$ -	\$ 14,328,000	\$ 14,865,094

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

Economic Factors and Next Year's Budgets and Rates

The City is working on the construction completion of the 750 West Public Works Facility and design work for a new City Hall and public safety building. The City maintained its certified tax rate with no increases expected for fiscal year 2025. Revenues and expenditures were budgeted conservatively for fiscal year 2025.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Finance Director, 363 W. Independence Blvd., Harrisville, UT 84404.

Basic Financial Statements

CITY OF HARRISVILLE
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 3,005,760	\$ 2,540,935	\$ 5,546,695
Accounts receivable	1,472,389	164,081	1,636,470
Prepaid expenses	36,202	-	36,202
Restricted cash and cash equivalents	17,589,857	-	17,589,857
Capital assets:			
Land	620,040	92,000	712,040
Construction in progress	3,267,479	-	3,267,479
Buildings	732,957	-	732,957
Other improvements	2,188,757	-	2,188,757
Machinery, equipment, vehicles	3,018,870	191,845	3,210,715
Infrastructure	5,094,592	3,859,239	8,953,831
Less accumulated depreciation	(5,901,345)	(1,423,095)	(7,324,440)
Total assets	31,125,558	5,425,005	36,550,563
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension related	595,911	84,914	680,825
<u>LIABILITIES</u>			
Accounts payable	1,192,134	112,749	1,304,883
Accrued liabilities	119,814	12,923	132,737
Accrued interest payable	45,078	-	45,078
Developer and customer deposits	160,000	-	160,000
Noncurrent liabilities:			
Due within one year: bonds, leases, comp abs.	608,139	22,344	630,483
Due in more than one year:			
Bonds, leases, comp abs.	13,960,114	18,282	13,978,396
Net pension liability	542,687	77,330	620,017
Total liabilities	16,627,966	243,628	16,871,594
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related	6,298	897	7,195
Deferred property taxes	1,028,780	-	1,028,780
Total deferred inflows of resources	1,035,078	897	1,035,975
<u>NET POSITION</u>			
Net investment in capital assets	7,522,833	2,719,989	10,242,822
Restricted for:			
Class C roads and road projects	1,667,724	-	1,667,724
Park development	484,062	-	484,062
Transportation impact fees	29,937	-	29,937
Public Safety	184,760	-	184,760
Transportation tax	853,516	-	853,516
Capital projects	1,198,954	643,563	1,842,517
Unrestricted	2,116,639	1,901,842	4,018,481
Total net position	\$ 14,058,425	\$ 5,265,394	\$ 19,323,819

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

CITY OF HARRISVILLE
Statement of Activities
For the Year Ended June 30, 2024

	Program Revenues				Net (Expense) Revenues and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Functions/Programs:						
Primary government:						
Governmental activities						
General government	\$ 1,222,784	\$ 58,531	\$ -	\$ -	\$ (1,164,253)	\$ (1,164,253)
Public safety	2,119,901	140,439	37,012	20,152	(1,922,298)	(1,922,298)
Community development	71,284	282,370	-	-	211,086	211,086
Streets and public improvements	573,407	42,281	206,092	381,822	56,788	56,788
Parks and recreation	593,559	8,971	-	85,217	(499,371)	(499,371)
Debt service - interest and fiscal charges	521,574	-	-	-	(521,574)	(521,574)
Total governmental activities	5,102,509	532,592	243,104	487,191	(3,839,622)	(3,839,622)
Business-type activities						
Sewer	735,482	806,844	-	78,877		\$ 150,239
Storm Water	415,612	372,642	-	112,122		69,152
Street Lights	49,830	50,354	-	-		524
Garbage	577,974	578,990	-	-		1,016
Total business-type activities	1,778,898	1,808,830	-	190,999		220,931
Total primary government	\$ 6,881,407	\$ 2,341,422	\$ 243,104	\$ 678,190	(3,839,622)	220,931
General revenues and transfers:						
General Revenues:						
Taxes						
Property					1,053,545	-
Sales					2,120,271	-
Franchise					408,696	-
Interest					1,231,065	111,372
Miscellaneous					38,922	35,786
Transfers - net					364,375	(364,375)
Total general revenue and transfers					5,216,874	(217,217)
Change in net position					1,377,252	3,714
Net position - beginning					12,681,173	5,261,680
Net position - ending					\$ 14,058,425	\$ 5,265,394
						\$ 19,323,819

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

CITY OF HARRISVILLE
Balance Sheet – Governmental Funds
June 30, 2024

	General Fund	Capital Projects Fund	Four Mile Special Service District (nonmajor)	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,490,623	\$ 978,748	\$ 1,391	\$ 2,470,762
Accounts receivable	1,472,389	-	-	1,472,389
Prepaid expenses	36,202	-	-	36,202
Restricted cash and cash equivalents	3,379,999	14,209,858	-	17,589,857
Total assets	\$ 6,379,213	\$ 15,188,606	\$ 1,391	\$ 21,569,210
<u>LIABILITIES</u>				
Accounts payable	\$ 58,370	\$ 1,133,764	\$ -	\$ 1,192,134
Accrued liabilities	119,814	-	-	119,814
Developer and customer deposits	160,000	-	-	160,000
Total liabilities	338,184	1,133,764	-	1,471,948
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred property taxes	1,028,780	-	-	1,028,780
Total deferred inflows of resources	1,028,780	-	-	1,028,780
<u>FUND BALANCES</u>				
Nonspendable	36,202	-	-	36,202
Restricted:				
Class C roads and road projects	1,667,724	-	-	1,667,724
Park development	484,062	-	-	484,062
Transportation fees	29,937	-	-	29,937
Public safety	138,130	-	-	138,130
Public safety beer tax	46,630	-	-	46,630
Transportation tax	853,516	-	-	853,516
Capital projects	-	13,076,094	-	13,076,094
Assigned:				
Capital projects	-	978,748	1,391	980,139
Unassigned	1,756,048	-	-	1,756,048
Total fund balances	5,012,249	14,054,842	1,391	19,068,482
Total liabilities, deferred inflows of resources and fund balances	\$ 6,379,213	\$ 15,188,606	\$ 1,391	\$ 21,569,210

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

CITY OF HARRISVILLE
Reconciliation of the Balance Sheet of Governmental Funds
To The Statement of Net Position
June 30, 2024

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances for governmental funds	\$ 19,068,482
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	9,021,350
Other long-term assets and deferred outflows of resources are not available for current period expenditures and, therefore, are not reported in the funds balance sheet.	595,911
Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not recorded in the funds.	(45,078)
Long-term liabilities, including bonds, compensated absences, and notes are not due and payable in the current period and, therefore, are not reported in the funds.	(14,568,253)
Other long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds balance sheet.	(548,985)
The internal service fund is used by management to charge the cost of vehicles and related maintenance to other funds. The assets and liabilities of the internal services fund are included in the governmental activities in the Statement of Net Position.	<u>534,998</u>
Net position of governmental activities	<u>\$ 14,058,425</u>

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

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

	General Fund	Capital Projects Fund	Four Mile Special Service District (nonmajor)	Total Governmental Funds
<u>REVENUES</u>				
Taxes	\$ 3,582,512	\$ -	\$ -	\$ 3,582,512
Licenses and permits	359,779	-	-	359,779
Impact fees	146,067	-	-	146,067
Intergovernmental	584,228	-	-	584,228
Charges for services	26,221	-	1,500	27,721
Fines and forfeitures	145,092	-	-	145,092
Interest income	283,976	912,313	35	1,196,324
Miscellaneous revenues	38,922	-	-	38,922
Total revenues	5,166,797	912,313	1,535	6,080,645
<u>EXPENDITURES</u>				
Current:				
General government	918,745	11,506	-	930,251
Public safety	2,114,857	-	-	2,114,857
Community development	71,284	-	-	71,284
Streets and public improvements	978,468	40,058	224	1,018,750
Parks and recreation	535,475	-	-	535,475
Debt service:				
Principal	-	432,000	-	432,000
Interest and fiscal expenses	-	585,234	-	585,234
Capital outlay	-	3,015,221	-	3,015,221
Total expenditures	4,618,829	4,084,019	224	8,703,072
Excess (deficiency) of revenues over (under) expenditures	547,968	(3,171,706)	1,311	(2,622,427)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	774,579	-	774,579
Transfers out	(438,000)	-	-	(438,000)
Total other financing sources (uses)	(438,000)	774,579	-	336,579
Net change in fund balances	109,968	(2,397,127)	1,311	(2,285,848)
Fund balances, beginning	4,902,281	16,451,969	80	21,354,330
Fund balances, ending	\$ 5,012,249	\$ 14,054,842	\$ 1,391	\$ 19,068,482

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

CITY OF HARRISVILLE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of
Governmental Funds To the Statement of Activities
For the Year Ended June 30, 2024

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

Net change in fund balances for governmental funds	\$ (2,285,848)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets with an initial cost of \$2,000 or more are capitalized and the cost is allocated over the assets estimated useful lives and reported as depreciation expense.

Capital outlay	3,480,711
Capital contribution	27,796
Depreciation expense	(410,067)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither type of transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. These amounts are deferred and amortized in the Statement of Activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.

Reduction of long-term liability	432,000
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Accrued pension costs are not reported as an expenditure in the current period for governmental funds but are recorded as an expense in the statement of activities.	52,903
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Expenses are recognized in the governmental funds when paid or due; however, the Statement of Activities is presented on the accrual basis and expenses and liabilities are reported when incurred, regardless of when financial resources are available or expenses are paid or due.

Accrued interest	63,816
Compensated absences	9,878

Internal service fund is used by management to charge the cost of centralized services to individual funds. The net income of the internal service fund is reported with governmental activities.	6,063
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Change in net position of governmental activities	<u>\$ 1,377,252</u>
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The accompanying notes are an integral part of this financial statement.

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>REVENUES</u>				
Property taxes	\$ 998,736	\$ 998,736	\$ 1,053,545	\$ 54,809
Sales taxes	2,104,656	2,104,656	2,120,271	15,615
Franchise taxes	354,238	354,238	408,696	54,458
Licenses and permits	211,000	247,000	359,779	112,779
Impact fees	26,900	26,900	146,067	119,167
Intergovernmental	628,904	628,904	584,228	(44,676)
Charges for services	22,000	22,000	26,221	4,221
Fines and forfeitures	141,000	141,000	145,092	4,092
Interest	74,500	131,500	283,976	152,476
Miscellaneous	120,000	120,000	38,922	(81,078)
Total revenues	4,681,934	4,774,934	5,166,797	391,863
<u>EXPENDITURES</u>				
Current:				
General government:				
Legislative	44,065	44,065	35,464	8,601
Judicial	171,609	171,609	133,661	37,948
City administrator	686,326	686,326	607,042	79,284
Nondepartmental	252,550	304,550	142,578	161,972
Total general government	1,154,550	1,206,550	918,745	287,805
Public safety:				
Police	2,263,463	2,336,463	2,114,857	221,606
Community development:				
Building inspection	46,100	82,100	71,284	10,816
Streets and public improvements:				
Public works	292,051	297,051	261,358	35,693
Road and transportation	859,348	859,348	717,110	142,238
Total streets and public improvements	1,151,399	1,156,399	978,468	177,931
Parks and recreation:				
Park and recreation	937,746	952,246	535,475	416,771
Total parks and recreation	937,746	952,246	535,475	416,771
Total expenditures	5,553,258	5,733,758	4,618,829	1,114,929
Excess (deficiency) of revenues over (under) expenditures	(871,324)	(958,824)	547,968	1,506,792
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(430,000)	(514,000)	(438,000)	76,000
Net other financing sources (uses)	(430,000)	(514,000)	(438,000)	76,000
Net change in fund balance	\$ (1,301,324)	\$ (1,472,824)	109,968	\$ 1,582,792
Fund balance, beginning of year			4,902,281	
Fund balance, end of year			\$ 5,012,249	

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

CITY OF HARRISVILLE
Statement of Net Position – Proprietary Funds
June 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Sewer	Storm Water	Street Light	Garbage	Total	
<u>ASSETS</u>						
Current assets:						
Cash	\$ 1,286,583	\$ 1,208,998	\$ 39,897	\$ 5,457	\$ 2,540,935	\$ 534,998
Accounts receivable	70,015	33,145	4,241	56,680	164,081	-
Total current assets	1,356,598	1,242,143	44,138	62,137	2,705,016	534,998
Noncurrent assets:						
Capital assets:						
Land	-	92,000	-	-	92,000	-
Machinery, equipment, & vehicles	69,825	122,020	-	-	191,845	2,513,728
Infrastructure	1,724,783	2,134,456	-	-	3,859,239	-
Accumulated depreciation	(792,657)	(630,438)	-	-	(1,423,095)	(1,390,131)
Total capital assets	1,001,951	1,718,038	-	-	2,719,989	1,123,597
Total noncurrent assets	1,001,951	1,718,038	-	-	2,719,989	1,123,597
Total assets	2,358,549	2,960,181	44,138	62,137	5,425,005	1,658,595
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Pension related	35,996	48,918	-	-	84,914	-
Total deferred outflows of resources	35,996	48,918	-	-	84,914	-

(Continued)

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

CITY OF HARRISVILLE
Statement of Net Position – Proprietary Funds (Continued)
June 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Sewer	Storm Water	Street Lights	Garbage	Total	
<u>LIABILITIES</u>						
Current liabilities:						
Accounts payable	\$ 63,144	\$ 2,460	\$ -	\$ 47,145	\$ 112,749	\$ -
Accrued liabilities	5,476	7,447	-	-	12,923	-
Compensated absences	11,726	10,618	-	-	22,344	-
Total current liabilities	80,346	20,525	-	47,145	148,016	-
Noncurrent liabilities:						
Compensated absences	9,594	8,688	-	-	18,282	-
Net pension liability	32,781	44,549	-	-	77,330	-
Total noncurrent liabilities	42,375	53,237	-	-	95,612	-
Total liabilities	122,721	73,762	-	47,145	243,628	-
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Pension related	380	517	-	-	897	-
Total deferred inflows of resources	380	517	-	-	897	-
<u>NET POSITION</u>						
Net investment in capital assets	1,001,951	1,718,038	-	-	2,719,989	1,123,597
Restricted	-	643,563	-	-	643,563	-
Unrestricted	1,269,493	573,219	44,138	14,992	1,901,842	534,998
Total net position	\$ 2,271,444	\$ 2,934,820	\$ 44,138	\$ 14,992	\$ 5,265,394	\$ 1,658,595

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

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

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Sewer	Storm Water	Street Lights	Garbage	Total	
<u>OPERATING REVENUES</u>						
Charges for services	\$ 806,844	\$ 372,642	\$ 50,354	\$ 578,990	\$ 1,808,830	\$ 196,068
Miscellaneous	-	35,786	-	-	35,786	-
Total operating revenues	806,844	408,428	50,354	578,990	1,844,616	196,068
<u>OPERATING EXPENSES</u>						
Salaries and benefits	155,765	247,517	-	-	403,282	-
Contractual services	509,358	45	-	577,974	1,087,377	-
Supplies and repairs	18,047	85,015	49,830	-	152,892	5,371
Administrative	4,143	2,748	-	-	6,891	-
Depreciation	48,169	80,287	-	-	128,456	278,142
Total operating expenses	735,482	415,612	49,830	577,974	1,778,898	283,513
Operating income (loss)	71,362	(7,184)	524	1,016	65,718	(87,445)
<u>NONOPERATING REVENUES (EXPENSES)</u>						
Interest income	59,986	48,148	3,230	8	111,372	34,741
Interest expense	-	-	-	-	-	(156)
Gain (loss) on disposal of assets	-	(27,796)	-	-	(27,796)	58,923
Total nonoperating revenues (expenses)	59,986	20,352	3,230	8	83,576	93,508
Income (loss) before contributions and transfers	131,348	13,168	3,754	1,024	149,294	6,063
Capital contributions	78,877	112,122	-	-	190,999	-
Transfers in	-	-	-	84,000	84,000	-
Transfers out	(75,000)	(345,579)	-	-	(420,579)	-
Change in net position	135,225	(220,289)	3,754	85,024	3,714	6,063
Total net position (deficit), beginning	2,136,219	3,155,109	40,384	(70,032)	5,261,680	1,652,532
Total net position, ending	\$ 2,271,444	\$ 2,934,820	\$ 44,138	\$ 14,992	\$ 5,265,394	\$ 1,658,595

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

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

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Sewer	Storm Water	Street Lights	Garbage	Total Enterprise Funds	
Cash flows from operating activities						
Receipts from customers and users	\$ 804,920	\$ 415,302	\$ 50,526	\$ 568,527	\$ 1,839,275	\$ 196,068
Payments to suppliers	(496,534)	(87,786)	(96,409)	(615,268)	(1,295,997)	(5,371)
Payments to employees	(141,236)	(236,561)	-	-	(377,797)	-
Net cash provided (used) by operating activities	167,150	90,955	(45,883)	(46,741)	165,481	190,697
Cash flows from noncapital financing activities						
Transfers to other funds	(75,000)	(345,579)	-	-	(420,579)	-
Advances from (to) other funds	116,249	-	-	-	116,249	-
Net cash provided (used) by noncapital financing activities	41,249	(345,579)	-	84,000	(220,330)	-
Cash flows from capital and related financing activities						
Aquisition of capital assets	(35,000)	-	-	-	(35,000)	(498,971)
Impact fees received	78,877	112,122	-	-	190,999	-
Principal paid on capital debt	-	-	-	-	-	(105,094)
Interest paid on capital debt	-	-	-	-	-	(2,046)
Net cash provided (used) by capital and related financing activities	43,877	112,122	-	-	155,999	(491,251)
Cash flows from investing activities						
Interest received	59,986	48,148	3,230	8	111,372	34,741
Net cash provided by investing activities	59,986	48,148	3,230	8	111,372	34,741

(Continued)

CITY OF HARRISVILLE
Statement of Cash Flows – Proprietary Fund (Continued)
For the Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Sewer	Storm Water	Street Lights	Garbage	Total Enterprise Funds	
Net increase (decrease) in cash and cash equivalents	312,262	(94,354)	(42,653)	37,267	212,522	(265,813)
Cash and cash equivalents, beginning of year	974,321	1,303,352	82,550	(31,810)	2,328,413	800,811
Cash and cash equivalents, end of year	<u>\$ 1,286,583</u>	<u>\$ 1,208,998</u>	<u>\$ 39,897</u>	<u>\$ 5,457</u>	<u>\$ 2,540,935</u>	<u>\$ 534,998</u>
Reconciliation of operating income (loss) to net cash provided by operating activities						
Operating income (loss)	\$ 71,362	\$ (7,184)	\$ 524	\$ 1,016	\$ 65,718	\$ (87,445)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	48,169	80,287	-	-	128,456	278,142
Changes in assets and liabilities:						
Accounts receivable	(1,924)	6,874	172	(10,463)	(5,341)	-
Accounts payable	35,014	22	(46,579)	(37,294)	(48,837)	-
Accrued liabilities	3,515	1,847	-	-	5,362	-
Compensated absences	14,099	13,332	-	-	27,431	-
Net pension liability	(3,085)	(4,223)	-	-	(7,308)	-
Net cash provided (used) by operating activities	<u>\$ 167,150</u>	<u>\$ 90,955</u>	<u>\$ (45,883)</u>	<u>\$ (46,741)</u>	<u>\$ 165,481</u>	<u>\$ 190,697</u>

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

CITY OF HARRISVILLE
Notes to the Financial Statements
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Harrisville (the City) was incorporated on April 19, 1962 as a township and became a city on January 30, 1964. The City operates under a traditional Mayor-Council form of government. The City provides the following services as authorized by its charter: general administrative services, public safety, planning and zoning, highway and streets, parks and recreation, sewer, storm water, street lights, sanitation, and public improvements.

The City's financial statements are prepared in accordance with generally accepted accounting principles in the States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

Reporting Entity

The accompanying financial statements present the City of Harrisville (the primary government). The City has no component units.

Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general administrative services, police (public safety), building inspection, parks and recreation, and highways and public improvements are classified as governmental activities. The City's sewer, storm water, street lights, and garbage services are classified as business-type activities.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services, 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 presents the City's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is restricted when constraints placed upon them are either externally imposed or are imposed by constitutional provisions or enabling legislation. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. The City does not allocate general government (indirect) expenses to other functions. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function 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 properly excluded from program revenues are reported instead as general revenues.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and statutory mandate. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of the major capital facilities of the City, other than those financed by proprietary funds.

The City reports the following major proprietary funds:

The *sewer fund* accounts for the activities of the City's sewer treatment operations which directs sewage to a treatment plant that is operated by another government agency.

The *storm water fund* accounts for the activities of the City's storm drain collection system.

The *garbage fund* accounts for the activities of the City's solid waste collection operations, including garbage pick-up and tipping and disposal fees.

The *street lights fund* accounts for the activities of the City's street lights system.

Additionally, the City reports the following fund types:

The *internal service fund* accounts for the costs of procurement and maintenance of vehicles by motor pool to other departments of the City, or to other governments, on a cost-reimbursement basis.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. General revenues include all taxes imposed by the City.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position

Cash, Cash Equivalents, and Investments - The City considers all cash and investments with original maturities of three months or less to be cash and cash equivalents and includes deposits with financial institutions, money market accounts, bond reserve accounts, and accounts at the Utah Public Treasurer's Investment Trust (the State Treasurer's Pool). For the purpose of the statement of cash flows, cash and cash equivalents are defined as the cash and cash equivalent accounts and the restricted cash and cash equivalents accounts. Investments of the City are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income, when applicable.

Receivables and Payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not available financial resources.

Management has estimated no allowance for uncollectibles is considered necessary as accounts receivable are all deemed fully collectible for both governmental and enterprise funds. Accounts receivable at June 30, 2024, consist of property taxes, franchise taxes, sales tax, grants and accounts (billings for user charged services). The utility billings for charged services are billed to customers monthly by another governmental agency.

Restricted Assets - Assets whose use is restricted for construction, debt service or by other independent third parties, enabling legislation, or other laws and statutes. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position (Continued)

Prepaid Expense - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets - Capital assets, which include property, plant, equipment, vehicles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are 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 as follows:

<u>Assets</u>	<u>Years</u>
Buildings	40
Other improvements	10-30
Sewer collection system	50
Machinery, equipment, and vehicles	3-15

Developer and Customer Deposits - Deposits from customers or developers that are held for construction projects and development agreements until such time that refund or forfeiture is warranted.

Compensated Absences - The City has a benefit program for compensated absences. Under the program, accumulated unpaid vacation is accrued as incurred up to the maximum amounts based on years of service for each employee. Vacation is fully vested when earned. At retirement, death, or termination, all unpaid accrued vacation is paid to the beneficiary at designated maximum amounts per City policy. Accumulated sick leave is earned at a rate of four hours per pay period. Employees may accumulate sick leave up to a maximum of 960 hours. Employees who retire are either paid 25% of accumulated sick leave at retirement or they can use 80 hours of accrued sick leave per month towards the premium for one month of health insurance. Proprietary funds expense all accrued vacation and potential sick retirement payout amounts when incurred. Governmental funds report an expenditure as the vacation is paid or at termination.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position (Continued)

Compensated Absences (continued) - The total compensated absences liability is reported on the government-wide financial statements. Proprietary funds report the total compensated absences liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only when it is due for payment in the current fiscal year. Historically, compensated absences are paid by the individual funds as they become due, for governmental funds, most of the costs are paid by the general fund.

Deferred Inflows and Outflows of Resources - In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from property taxes (property taxes which will be levied and collected more than 60 days after year end) in this category. These amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available. The City also has deferred inflows relating to pensions.

Deferred outflows of resources represent a consumption of net assets that applies to a future period and is therefore deferred until that time. The City also has deferred outflows relating to pensions.

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. Historically, pension costs are paid by the individual funds as they become due, for governmental funds, most of the costs are paid by the general fund.

Long-Term Obligations and Leases - In the government-wide financial statements and proprietary funds, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds' Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the applicable debt.

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

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position (Continued)

Long-Term Obligations and Leases (continued) - The City recognizes a lease or subscription payable and an intangible right-to-use lease asset or subscription asset in the government-wide and proprietary fund financial statements for individual values over \$5,000. At the commencement of a lease or subscription, the City measures the lease payable at the present value of payments expected to be made during the lease term. Subsequently, the lease or subscription payable is reduced by the principal amount of the lease or subscription payments. The intangible right-to-use lease or subscription asset is measured at the initial amount of the lease or subscription payable, adjusted for payments made at or before the lease commencement date, plus initial direct costs. The asset is amortized over its useful life. The City currently has no subscriptions that are significant enough or that qualify for reporting recognition under GASB 96.

Fund Balance and Net Position - Net position is classified in the government-wide financial statements in three components:

- (1) *Net investment in capital assets* - consists of capital assets including restricted capital assets and intangible right-to-use assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) *Restricted net position* - consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- (3) *Unrestricted net position* - All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

GASB Statement No. 54 provided new reporting categories for fund balance in governmental funds. The categories and descriptions are as follows:

- (1) *Nonspendable fund balance* classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- (2) *Restricted fund balance* classifications are restricted by the following: (a) externally imposed by creditor, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- (3) *Committed fund balance* classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government 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 HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows, and Net Position (Continued)

Fund Balance and Net Position (Continued)

- (4) *Assigned fund balance* classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed.
- (5) *Unassigned fund balance* classification is the residual classification for the general fund or funds with deficit fund balances. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Proprietary funds report net position in the same manner as the government-wide statements.

When restricted, committed, assigned, or unassigned resources are available for use, it is the City's policy to use restricted resources first, followed by committed resources, then assigned, and then unassigned as they are needed.

Estimates - The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain financial statement balances. Actual results could vary from those estimates.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

Annual budgets are prepared and adopted, in accordance with State law, by the City Council on or before June 22 for the following fiscal year. 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 several different funds, including the general fund, special revenue funds and enterprise funds. Annual budgets are also adopted for capital projects which may include activities which overlap several fiscal years. The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established at the department level. Each department head is responsible to the City Administrator and City Council for operating within the budget for their departments. All annual budgets lapse at fiscal year-end.

Utah State law prohibits the appropriation of the sum of unassigned, assigned, and committed general fund balance until it exceeds 5% of the general fund revenues. Until the sum of the stated fund balance categories is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Utah State law also prohibits the accumulation of the stated fund balance categories in the general fund in any amounts greater than 35% of the current year's total actual revenues.

The Mayor, in conjunction with the appropriate department head, has the authority to transfer budget appropriations within and between any divisions of any budgetary fund. The City Council has the authority to transfer budget appropriations between individual budgetary funds by resolution. A public hearing must be held to increase the total appropriations of any one governmental fund type; however, after the original public hearing, operating and capital budgets or enterprise fund types may be increased by resolution without an additional hearing.

Annual budgets for the general fund, special revenue funds, and capital projects funds were legally adopted by the City and are prepared on the modified-accrual method of accounting. Annual budgets for the enterprise funds are legally adopted by the City and prepared on the accrual method of accounting.

Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of comparisons of actual results to budgets for the general fund and any major special revenue funds.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Tax Revenues

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

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

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

3. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as term deposits. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents" and "restricted cash and cash equivalents," which includes cash accounts that are separately held by several of the City's funds. The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act (UMMA) that relate to the deposit and investment of public funds.

The City's follows the requirements of UMMA (*Utah Code*, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository, which is defined as a financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. UMMA defines types of securities authorized as appropriate investments for the City's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

3. 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: Financial instruments with unadjusted, quoted prices listed on active market exchanges.
- Level 2: Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Financial instruments that are not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instruments. The prices are determined using significant unobservable inputs or valuation techniques. Quoted prices for identical investments in active markets.

At June 30, 2024, the City had the following recurring fair value measurements.

Investment Type	06/30/24	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
PTIF	\$ 8,646,528	\$ -	\$ 8,646,528	\$ -
Total investments	\$ 8,646,528	\$ -	\$ 8,646,528	\$ -

The City's cash and cash equivalents and investments are exposed to certain risks as outlined below:

Custodial credit risk – deposits is the risk that in the event of a bank failure, the City's deposits may not be returned. As of June 30, 2024, \$14,376,086 of the City's \$14,626,086 bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized. UMMA does not require deposits to be insured or collateralized. The City's policy for managing custodial deposit credit risk is to adhere to the UMMA. UMMA requires that the City keep deposits in a qualified depository, which the City has done.

Custodial credit risk – investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City's policy for limiting credit risk of investments is to comply with the requirements of UMMA as described above. Of the City's investment in the Utah Public Treasurer's Investment Fund (PTIF) of \$8,646,528, the City has no custodial credit risk exposure as the PTIF is an external investment pool managed by the Utah State Treasurer and is not categorized as to custodial credit risk.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risks of investments is to comply with UMMA. Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in UMMA; and the Utah State Public Treasurers' Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by UMMA. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

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

	Quality Ratings			
	06/30/24	AAA	A	Unrated
PTIF	\$ 8,646,528	\$ -	\$ -	\$ 8,646,528
Total investments	\$ 8,646,528	\$ -	\$ -	\$ 8,646,528

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The City has no formal policy relating to specific investment-related interest rate risk. The City manages its exposure by investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

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

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
PTIF	\$ 8,646,528	\$ 8,646,528	\$ -
Total investments	\$ 8,646,528	\$ 8,646,528	\$ -

Concentration of credit risk is the risk of loss attributed to the magnitude of a City's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio. The City's investment in the PTIF has no concentration of credit risk as the PTIF is an external investment pool managed by the Utah State Treasurer.

The PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor. Additional information is available at the Utah State Treasures' Office.

For the year ended June 30, 2024, the City had investments of \$8,646,528 with the PTIF. The fair value of these investments was \$8,662,642 using a fair value factor of 1.00186367.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Following are the City's cash and cash equivalents at June 30, 2024:

	Carrying Value
Cash on hand and on deposit:	
Cash on hand	\$ 250
Cash on deposit	14,489,774
PTIF accounts	8,646,528
Total cash on hand and deposit	<u>\$ 23,136,552</u>

4. RECEIVABLES

Receivables as of June 30, 2024 for the City's individual funds are as follows:

	Accounts Receivable	Property Tax	Inter- Governmental	Gross Receivables	Less: Allowance for Uncollectable Accounts	Total Receivables, Net
General Fund	\$ 24,826	1,038,111	\$ 409,452	\$ 1,472,389	\$ -	\$ 1,472,389
Sewer	70,015	-	-	70,015	-	70,015
Storm Water	33,145	-	-	33,145	-	33,145
Street Lights	4,241	-	-	4,241	-	4,241
Garbage	56,680	-	-	56,680	-	56,680
	<u>\$ 188,907</u>	<u>\$ 1,038,111</u>	<u>\$ 409,452</u>	<u>\$ 1,636,470</u>	<u>\$ -</u>	<u>\$ 1,636,470</u>

5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The purpose of the transfers was to provide cash flows, pay operating expenses, and to fund capital projects. Transfers among the funds during the current year were:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 438,000
Capital Projects Fund	774,579	-
Sewer Fund	-	75,000
Storm Water	-	345,579
Garbage	84,000	-
	<u>\$ 858,579</u>	<u>\$ 858,579</u>

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

6. **CAPITAL ASSETS**

Capital asset activity of the governmental activities, including the internal service fund, for the year ended June 30, 2024 was as follows:

	6/30/2023	Increases	Decreases	06/30/24
<u>Governmental activities</u>				
Capital assets, not being depreciated:				
Land	\$ 620,040	\$ -	\$ -	\$ 620,040
Construction in progress	279,603	2,987,876	-	3,267,479
Total capital assets, not being depreciated	899,643	2,987,876	-	3,887,519
Capital assets, being depreciated:				
Buildings	732,957	-	-	732,957
Other improvements	1,795,692	393,065	-	2,188,757
Machinery, equipment, and vehicles	2,535,710	619,213	(136,053)	3,018,870
Infrastructure	5,087,268	7,324	-	5,094,592
Total capital assets, being depreciated	10,151,627	1,019,602	(136,053)	11,035,176
Less accumulated depreciation	(5,293,252)	(688,209)	80,116	(5,901,345)
Total capital assets being depreciated, net	4,858,375	331,393	(55,937)	5,133,831
Governmental capital assets, net	\$ 5,758,018	\$ 3,319,269	\$ (55,937)	\$ 9,021,350

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

	6/30/2023	Increases	Decreases	06/30/24
<u>Business-type activities</u>				
Capital assets, not being depreciated:				
Land	\$ 92,000	\$ -	\$ -	\$ 92,000
Construction in progress	27,796	-	(27,796)	-
Total capital assets, not being depreciated	119,796	-	(27,796)	92,000
Capital assets, being depreciated:				
Machinery, equipment, and vehicles	191,845	-	-	191,845
Infrastructure	3,824,239	35,000	-	3,859,239
Total capital assets, depreciated	4,016,084	35,000	-	4,051,084
Less accumulated depreciation	(1,294,639)	(128,456)	-	(1,423,095)
Total capital assets being depreciated, net	2,721,445	(93,456)	-	2,627,989
Business-type capital assets, net	\$ 2,841,241	\$ (93,456)	\$ (27,796)	\$ 2,719,989

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

6. CAPITAL ASSETS (CONTINUED)

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

General government	\$ 305,304
Public safety	126,594
Highways and public improvements	183,327
Parks and recreation	72,984
Total depreciation expense - governmental activities	<u>\$ 688,209</u>
Business-type activities:	
Sewer Fund	\$ 48,169
Storm Water Fund	80,287
Total depreciation expense - business-type activities	<u>\$ 128,456</u>

7. LONG-TERM DEBT

The following is a summary of changes in long-term debt for governmental and business-type activities of the City at June 30, 2024 (excluding net pension liability discussed in note 8):

	6/30/2023	Increases	Decreases	06/30/24	Due in One Year
<u>Governmental activities</u>					
Sales and franchise tax revenue bonds	\$ 14,760,000	\$ -	\$ (432,000)	\$ 14,328,000	\$ 476,000
Leases payable	105,094	-	(105,094)	-	-
Compensated absences	250,131	124,249	(134,127)	240,253	132,139
Governmental activities, long-term liabilities	<u>\$ 15,115,225</u>	<u>\$ 124,249</u>	<u>\$ (671,221)</u>	<u>\$ 14,568,253</u>	<u>\$ 608,139</u>
<u>Business-type activities</u>					
Compensated absences	13,195	34,512	(7,081)	40,626	22,344
Business-type activities, long-term liabilities	<u>\$ 13,195</u>	<u>\$ 34,512</u>	<u>\$ (7,081)</u>	<u>\$ 40,626</u>	<u>\$ 22,344</u>

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

7. LONG-TERM DEBT (CONTINUED)

Long-term debt and bond obligations for governmental activities payable at June 30, 2024 were as follows:

<u>Governmental Activities</u>	<u>Current Portion</u>	<u>Long-Term Balance</u>
Series 2022 Sales and Franchise Tax Revenue Bonds, original issue of \$6,000,000, principal due in annual installments beginning June 2023, interest at 2.10% to 4.35% due in semi-annual installments beginning December 2022, with the final payment due June 2042. The bonds were issued to finance the construction of a new public works facility.	\$ 234,000	\$ 5,297,000
Series 2023 Sales and Franchise Tax Revenue Bonds, original issue of \$9,000,000, principal due in annual installments beginning June 2024, interest at 2.55% to 5.25% due in semi-annual installments beginning December 2023, with the final payment due June 2048. The bonds were issued to finance the construction of a new City Hall complex building.	242,000	8,555,000
Total Governmental Activities Long-term Debt	<u>\$ 476,000</u>	<u>\$ 13,852,000</u>

Principal and interest requirements to retire the City's long-term bond obligations are as follows:

Year Ending June 30,	Governmental Activities Sales Tax Revenue Bonds		
	Principal	Interest	Totals
2025	\$ 476,000	\$ 540,935	\$ 1,016,935
2026	488,000	529,022	1,017,022
2027	501,000	516,323	1,017,323
2028	514,000	502,782	1,016,782
2029	529,000	488,374	1,017,374
2030-2034	2,897,000	2,190,341	5,087,341
2035-2039	3,456,000	1,656,890	5,112,890
2040-2044	3,361,000	923,228	4,284,228
2045-2048	2,106,000	271,171	2,377,171
	<u>\$ 14,328,000</u>	<u>\$ 7,619,066</u>	<u>\$ 21,947,066</u>

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

7. LONG-TERM DEBT (CONTINUED)

Leases

The City has entered into a vehicle lease purchase agreement for the acquisition of two trucks totaling \$120,300. The terms of the lease agreement is effective for 12 months with four successive one-year period renewal options by the City, which management of the City considers probable of occurring. The final renewal term will end in September 2025 unless the agreement is terminated as provided by the various options, at which time the lease equipment will be transferred to and vest with the City.

As of June 30, 2024, the leases payable was reported at \$-. The leases have annual payments of principal and interest that are due from the commencement of the lease. Interest rates for these leases is 2.29%. The City paid off this lease agreement early in July 2023.

8. RETIREMENT PLANS

General Information about the Pension Plan

Plan description Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

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

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning work on or after July 1, 2011, who has 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 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 System, 560 E 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

8. RETIREMENT PLANS (CONTINUED)

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

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent Per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.50%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year to June 30, 2020; 2.0% per year July 1, 2020 to present	Up to 2.50%

*with actuarial reductions

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

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

Utah Retirement Systems

	Employee Paid	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System			
111 - Local Governmental Division Tier 2	N/A	16.01%	0.18%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	17.97%	N/A
Public Safety Retirement System			
Contributory			
122 - Tier 2 DB Hybrid Public Safety Contributory	2.59%	25.83%	N/A
Noncontributory			
43 - Other Division A Noncontributory with 2.5% COLA	N/A	34.04%	N/A
Tier 2 DC Only			
211- Local Government	N/A	6.19%	10.00%
222-Public Safety	N/A	11.83%	14.00%

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

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

8. RETIREMENT PLANS (CONTINUED)

Contributions (Continued)

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

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 142,846	\$ -
Public Safety System	151,027	-
Tier 2 Public Employees System	60,558	-
Tier 2 Public Safety and Firefighter System	73,944	7,414
Tier 2 DC Public Safety and Firefighter System	10,856	-
Total Contributions	\$ 439,231	\$ 7,414

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

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

At June 30, 2024, the City reported no net pension asset and a net pension liability of \$442,466.

	Measurement Date: December 31, 2023				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2022	Change (Decrease)
Noncontributory System	\$ -	\$ 167,802	0.0723420%	0.0596600%	0.0126820%
Public Safety System	-	404,889	0.2831067%	0.2524143%	0.0306924%
Tier 2 Public Employees System	-	26,775	0.0137564%	0.0074899%	0.0062665%
Tier 2 Public Safety and Firefighter	-	20,551	0.0545576%	0.0687652%	-0.0142076%
Total Net Pension Asset / Liability	\$ -	\$ 620,017			

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, the City recognized pension expense of \$373,510.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

8. RETIREMENT PLANS (CONTINUED)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 207,616	\$ 1,841
Changes in assumptions	116,232	443
Net difference between projected and actual earnings on pension plan investments	117,698	-
Changes in proportion and differences between contributions and proportionate share of contributions	24,494	4,911
Contributions subsequent to the measurement date	214,785	-
Total	<u>\$ 680,825</u>	<u>\$ 7,195</u>

\$214,785 was reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2023.

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

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 159,470
2025	84,629
2026	226,070
2027	(44,726)
2028	4,766
Thereafter	28,636

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

8. RETIREMENT PLANS (CONTINUED)

Noncontributory System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, the City recognized pension expense of \$118,339.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 117,497	\$ -
Changes in assumptions	50,354	-
Net difference between projected and actual earnings on pension plan investments	54,567	-
Changes in proportion and differences between contributions and proportionate share of contributions	2,358	2,572
Contributions subsequent to the measurement date	69,233	-
	<hr/>	<hr/>
Total	\$ 294,009	\$ 2,572

\$69,233 reported as deferred outflows of resources related to pension results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2023.

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

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 74,227
2025	68,305
2026	102,591
2027	(22,919)

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

8. RETIREMENT PLANS (CONTINUED)

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

For the year ended June 30, 2024, the City recognized pension expense of \$193,922.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 70,553	\$ -
Changes in assumptions	35,578	-
Net difference between projected and actual earnings on pension plan investments	57,956	-
Changes in proportion and differences between contributions and proportionate share of contributions	14,751	-
Contributions subsequent to the measurement date	66,240	-
Total	<u>\$ 245,078</u>	<u>\$ -</u>

\$66,240 reported as deferred outflows of resources related to pension results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2023.

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

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 80,696
2025	10,160
2026	113,194
2027	(25,212)

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

8. RETIREMENT PLANS (CONTINUED)

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

For the year ended June 30, 2024, the City recognized pension expense of \$34,889.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,576	\$ 438
Changes in assumptions	15,326	21
Net difference between projected and actual earnings on pension plan investments	3,024	-
Changes in proportion and differences between contributions and proportionate share of contributions	3,050	784
Contributions subsequent to the measurement date	29,570	-
Total	<u>\$ 59,546</u>	<u>\$ 1,243</u>

\$29,570 reported as deferred outflows of resources related to pension results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2023.

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

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 2,445
2025	3,511
2026	6,091
2027	1,947
2028	2,702
Thereafter	12,037

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

8. RETIREMENT PLANS (CONTINUED)

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

For the year ended June 30, 2024, the City recognized pension expense of \$26,360.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,990	\$ 1,403
Changes in assumptions	14,974	422
Net difference between projected and actual earnings on pension plan investments	2,151	-
Changes in proportion and differences between contributions and proportionate share of contributions	4,335	1,555
Contributions subsequent to the measurement date	49,742	-
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Total	\$ 82,192	\$ 3,380

\$49,742 reported as deferred outflows of resources related to pension results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2023.

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

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 2,102
2025	2,653
2026	4,194
2027	1,458
2028	2,064
Thereafter	16,599

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

8. RETIREMENT PLANS (CONTINUED)

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

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

The long-term expected rate of return of 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:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	35%	6.87%	2.40%
Debt securities	20%	1.54%	31.00%
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%	24.00%	0.00%
Totals	100%		5.45%
	Inflation		2.50%
	Expected arithmetic nominal return		7.95%

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

8. RETIREMENT PLANS (CONTINUED)

Actuarial assumptions (Continued)

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

Discount Rate

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

Sensitivity to 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	\$ 870,883	\$ 167,802	\$ (420,981)
Public Safety System	1,270,431	404,889	(300,474)
Tier 2 Public Employees System	91,996	26,775	(23,803)
Tier 2 Public Safety and Firefighter System	66,217	20,551	(15,982)
Total	<u>\$ 2,299,527</u>	<u>\$ 620,017</u>	<u>\$ (761,240)</u>

Pension Plan Fiduciary Net Position

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

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

8. RETIREMENT PLANS (CONTINUED)

Defined Contribution Savings Plan

The City participates in a Defined Contribution Saving Plan, which is administered by the Utah Retirement Systems Board and is a supplemental plan 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 section 401(k) 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 URS:

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

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

	2024	2023	2022
401(k) Plan			
Employer contributions	\$ 66,480	\$ 51,583	\$ 39,099
Employee contributions	65,536	57,537	49,919
457 Plan			
Employer contributions	-	-	-
Employee contributions	-	-	12,750
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	9,265	4,800	4,761
Traditional IRA			
Employer contributions	N/A	N/A	N/A
Employee contributions	-	-	1,961

* The employer paid 401(k) contributions include the totals paid for employees in the Tier 2 Defined Contribution 401(k) Plan.

CITY OF HARRISVILLE
Notes to the Financial Statements (Continued)
June 30, 2024

9. COMMITMENTS AND CONTINGENCIES

The City has construction commitments outstanding at year end for projects which have been awarded and construction has begun, but which have not been paid for at year end. Total unpaid construction commitments at June 30, 2024 were \$232,940 on original contracts totaling \$350,353.

10. CONTINGENT LIABILITIES

The City is involved in various claims and legal actions arising in the ordinary course of events. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the City's financial position or results of operations.

11. RISK MANAGEMENT

The City has joined the Utah Local Governments Trust (Trust). Founded in 1974, the Utah Local Governments Trust is licensed in Utah as a public agency insurance mutual. Trust policies are designed specifically for government agencies, including cities, towns, counties, special service districts, and school districts. The Trust provides low-cost liability and property coverage for local governments, claims adjustment services, loss prevention and safety training to its members. Utah Local Governments Trust is reinsured through Munich America RE & Clarendon, two national insurance companies with members from municipal leagues across the US.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance as noted above. Settled claims from these risks have not exceeded commercial insurance coverage.

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Required Supplementary Information

CITY OF HARRISVILLE
Schedule of the Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

	As of December 31,	Proportion of Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
Noncontributory System	2014	0.0505886%	\$ 219,668	\$ 430,807	51.00%	90.20%
	2015	0.0526020%	297,648	445,904	66.75%	87.80%
	2016	0.0591657%	379,916	520,603	72.98%	87.30%
	2017	0.0587011%	257,181	504,297	51.00%	91.90%
	2018	0.0606721%	446,773	519,422	86.01%	87.00%
	2019	0.0564832%	212,878	469,564	45.34%	93.70%
	2020	0.0489999%	25,134	415,269	6.05%	99.20%
	2021	0.0532531%	(304,986)	470,803	-64.78%	108.70%
	2022	0.0596600%	102,183	614,159	16.64%	97.50%
	2023	0.0723420%	167,802	740,873	22.65%	96.90%
Public Safety System	2014	0.1596158%	\$ 200,730	\$ 330,671	60.70%	90.50%
	2015	0.1507968%	269,578	305,690	88.19%	87.10%
	2016	0.1780486%	361,310	324,312	111.41%	86.50%
	2017	0.1669461%	261,881	291,267	89.91%	90.20%
	2018	0.1851420%	476,294	313,699	151.83%	84.70%
	2019	0.1998652%	320,907	312,616	102.65%	90.90%
	2020	0.2262038%	187,804	302,750	62.03%	95.50%
	2021	0.2155294%	(175,041)	267,069	-65.54%	104.20%
	2022	0.2524143%	326,390	394,627	82.71%	93.60%
	2023	0.2831067%	404,889	503,211	80.46%	93.44%
Tier 2 Public Employees System	2014	0.0059151%	\$ 179	\$ 29,006	-0.60%	103.50%
	2015	0.0067037%	15	43,332	-0.03%	100.20%
	2016	0.0053676%	599	44,018	1.36%	95.10%
	2017	0.0086000%	758	84,084	0.90%	97.40%
	2018	0.0104868%	4,491	122,100	3.68%	90.80%
	2019	0.0139628%	3,140	193,944	1.62%	96.50%
	2020	0.0103251%	1,485	165,133	0.90%	98.30%
	2021	0.0097581%	(4,130)	181,186	-2.28%	103.80%
	2022	0.0074899%	8,156	163,492	4.99%	92.30%
	2023	0.0137564%	26,775	355,651	7.53%	89.58%
Tier 2 Public Safety and Firefighter System	2014	0.1320064%	\$ 1,953	\$ 54,694	-3.60%	120.50%
	2015	0.1064489%	1,555	63,296	-2.46%	110.70%
	2016	0.0479146%	416	39,588	-1.05%	103.60%
	2017	0.0810498%	938	85,467	-1.10%	103.00%
	2018	0.0856616%	2,146	114,231	1.88%	95.60%
	2019	0.0837062%	7,874	138,013	5.71%	89.60%
	2020	0.0753268%	6,756	149,284	4.53%	93.10%
	2021	0.0912125%	(4,610)	218,124	-2.11%	102.80%
	2022	0.0687652%	5,737	211,576	2.71%	96.40%
	2023	0.0545576%	20,551	206,722	9.94%	89.10%

CITY OF HARRISVILLE
Schedule of Pension Contributions
Last Ten Fiscal Years

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Noncontributory System	2015	80,376	80,376	-	436,430	18.42%
	2016	88,261	88,261	-	477,860	18.47%
	2017	96,232	96,232	-	527,258	18.25%
	2018	93,150	93,150	-	504,500	18.46%
	2019	93,864	93,864	-	510,783	18.38%
	2020	80,588	80,588	-	436,337	18.47%
	2021	79,053	79,053	-	428,008	18.47%
	2022	95,539	95,539	-	536,556	17.81%
	2023	117,219	117,219	-	652,825	17.96%
	2024	142,846	142,846	-	794,918	17.97%
Public Safety System	2015	\$ 67,351	\$ 67,351	\$ -	\$ 197,857	34.04%
	2016	77,403	77,403	-	226,702	34.14%
	2017	83,207	83,207	-	242,797	34.27%
	2018	77,200	77,200	-	282,489	27.34%
	2019	76,838	76,838	-	330,593	23.24%
	2020	92,932	92,932	-	299,800	31.00%
	2021	107,491	107,491	-	319,435	33.65%
	2022	98,924	98,924	-	306,234	32.30%
	2023	139,810	139,810	-	435,987	32.07%
	2024	151,027	151,027	-	505,907	29.85%
Tier 2 Public Employees System*	2015	\$ 4,336	\$ 4,336	\$ -	\$ 29,026	14.94%
	2016	8,187	8,187	-	54,910	14.91%
	2017	8,029	8,029	-	53,852	14.91%
	2018	15,002	15,002	-	99,360	15.10%
	2019	24,207	24,207	-	157,358	15.38%
	2020	30,199	30,199	-	193,144	15.64%
	2021	26,763	26,763	-	169,388	25.83%
	2022	27,730	27,730	-	172,795	16.05%
	2023	39,369	39,369	-	245,904	16.01%
	2024	60,558	60,558	-	378,988	15.98%
Tier 2 Public Safety and Firefighter System*	2015	\$ 16,234	\$ 16,234	\$ -	\$ 71,415	22.73%
	2016	10,478	10,478	-	46,615	22.48%
	2017	10,101	10,101	-	47,804	21.13%
	2018	23,390	23,390	-	106,542	21.95%
	2019	34,364	34,364	-	150,380	22.85%
	2020	36,522	36,522	-	158,636	23.02%
	2021	48,879	48,879	-	189,234	25.83%
	2022	58,666	58,666	-	227,123	25.83%
	2023	52,707	52,707	-	204,053	25.83%
	2024	73,944	73,944	-	286,562	25.80%
Tier 2 Public Employees DC Only System*	2015	\$ 784	\$ 784	\$ -	\$ 11,673	6.72%
	2016	2,029	2,029	-	30,323	6.69%
	2017	2,125	2,125	-	31,766	6.69%
	2018	2,252	2,252	-	33,659	6.69%
	2019	2,363	2,363	-	35,323	6.69%
	2020	2,429	2,429	-	36,309	6.69%
	2021	2,511	2,511	-	37,530	6.69%
	2022	1,263	1,263	-	18,875	6.69%
Tier 2 DC Public Safety and Firefighter DC Only System*	2015	\$ -	\$ -	\$ -	\$ -	0.00%
	2016	3,157	3,157	-	26,683	11.83%
	2017	4,730	4,730	-	39,982	11.83%
	2018	4,702	4,702	-	39,746	11.83%
	2019	5,459	5,459	-	46,149	11.83%
	2020	7,688	7,688	-	64,992	11.83%
	2021	8,410	8,410	-	71,087	11.83%
	2022	7,261	7,261	-	61,377	11.83%
	2023	9,797	9,797	-	82,818	11.83%
	2024	10,856	10,856	-	91,913	11.81%

Note:

Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.

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

CITY OF HARRISVILLE
Notes to the Required Supplementary Information
June 30, 2024

1. CHANGES IN ASSUMPTIONS

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

CITY OF HARRISVILLE

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Supplementary Information

CITY OF HARRISVILLE
Schedule of the Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual – Capital Projects Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Interest income	\$ 184,000	\$ 184,000	\$ 912,313	\$ 728,313
Total revenues	<u>184,000</u>	<u>184,000</u>	<u>912,313</u>	<u>728,313</u>
<u>EXPENDITURES</u>				
Current:				
General government	12,000	12,000	11,506	494
Streets and public improvements	5,000	5,000	40,058	(35,058)
Capital outlay	<u>9,100,000</u>	<u>9,145,360</u>	<u>3,015,221</u>	<u>6,130,139</u>
Debt service:				
Principal	579,000	579,000	432,000	147,000
Interest and fiscal expenses	551,579	551,579	585,234	(33,655)
Bond issuance costs	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total debt service	<u>1,155,579</u>	<u>1,155,579</u>	<u>1,017,234</u>	<u>138,345</u>
Total expenditures	<u>10,272,579</u>	<u>10,317,939</u>	<u>4,084,019</u>	<u>6,233,920</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,088,579)</u>	<u>(10,133,939)</u>	<u>(3,171,706)</u>	<u>6,962,233</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	<u>10,005,000</u>	<u>10,005,000</u>	<u>774,579</u>	<u>(9,230,421)</u>
Net other financing sources (uses)	<u>10,005,000</u>	<u>10,005,000</u>	<u>774,579</u>	<u>(9,230,421)</u>
Net change in fund balance	<u>\$ (83,579)</u>	<u>\$ (128,939)</u>	<u>(2,397,127)</u>	<u>\$ (2,268,188)</u>
Fund balance, beginning of year			<u>16,451,969</u>	
Fund balance, end of year			<u>\$ 14,054,842</u>	

CITY OF HARRISVILLE
Schedule of the Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual – Four Mile Special Service District
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<u>REVENUES</u>				
Charges for services	\$ 14,250	\$ 14,250	\$ 1,500	\$ (12,750)
Interest income	-	-	35	35
Total revenues	<u>14,250</u>	<u>14,250</u>	<u>1,535</u>	<u>(12,715)</u>
<u>EXPENDITURES</u>				
Current:				
Streets and public improvements	<u>12,000</u>	<u>12,000</u>	<u>224</u>	<u>11,776</u>
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>224</u>	<u>11,776</u>
Excess of revenues over expenditures	<u>2,250</u>	<u>2,250</u>	<u>1,311</u>	<u>(939)</u>
Net change in fund balance	<u>\$ 2,250</u>	<u>\$ 2,250</u>	<u>1,311</u>	<u>\$ (939)</u>
Fund balance, beginning of year			<u>80</u>	
Fund balance, end of year			<u>\$ 1,391</u>	

Compliance Section

**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***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Harrisville, Utah (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 4, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item 2024-001 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on City's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

February 4, 2025
Bountiful, Utah

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

Honorable Major and Members of the City Council
City of Harrisville, Utah

Report On Compliance

We have audited City of Harrisville, Utah's (the City) compliance with state compliance requirements described in the *State Compliance Audit Guide* issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2024.

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

Budgetary Compliance
Fund Balance
Justice Courts
Fraud Risk Assessment
Enterprise Fund Transfers

Restricted Taxes and Related Restricted
Revenues
Governmental Fees
Cash Management

Opinion on Compliance

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

Basis for Opinion

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *Guide* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *Guide*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide* but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report On Internal Control over Compliance

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

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

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

Purpose of This Report

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

February 4, 2025
Bountiful, Utah

CITY OF HARRISVILLE
Schedule of Findings and Responses
For the Year Ended June 30, 2024

**2024-001 Internal Control Over Financial Reporting - Financial Statement Preparation and Review
(Significant Deficiency)**

Condition: The City's finance department currently does not perform the functions related to the preparation or review of its financial statements, and the notes to those financial statements, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Accordingly, the City is unable to, and has not established formal procedures or internal controls over the preparation or review of its financial statements. During the audit of fiscal year ended June 30, 2024, we noted several accounts were not recorded at their proper accrual value for the year ended June 30, 2024 and were not properly reconciled.

As part of the audit, management requested the auditors to prepare a draft of the City's financial statements, including the related notes to the financial statements. Management reviewed, approved, and accepted responsibility for those financial statements prior to their issuance; however, management has not developed formal, written, approved procedures or controls to 1) evaluate the completeness of the financial statement disclosures or 2) recognize instances when reclassification of financial statement items may be required by U.S. GAAP, or 3) evaluate the appropriateness of information that is required to be recorded or disclosed by the governmental accounting standards board (GASB).

Cause: Management has been relying on the auditor's controls over 1) evaluating the completeness of the financial statement disclosures, 2) the classification of financial statement items and 3) the reconciliation and adjustment of financial statement elements as required by the GASB, instead of relying on applicable internal controls over financial reporting.

Effect or Potential Effect: Because controls to 1) evaluate the completeness of financial statement disclosures, 2) recognize instances when reclassification of financial statement items may be required and 3) evaluate the appropriateness of information required by the GASB are not in place, there is a risk that the auditor prepared financial statements will not include a required disclosure, or that certain information in the financial statements might not be properly classified. This condition is considered be a significant deficiency.

Recommendation: We recommend the City creates policies and procedures over financial reporting for financial statement preparation.

Management's Response: Management concurs with the recommendation and will immediately implement written policies and procedures governing financial reporting for financial statement preparation. Past practice included reliance on auditor for financial statement preparation and end of year closing processes.



HARRISVILLE CITY

363 W. Independence Blvd · Harrisville, Utah 84404 · 801-782-4100
www.cityofharrisville.com

MAYOR:
Michelle Tait

COUNCIL MEMBERS:
Grover Wilhelmsen
Steve Weiss
Blair Christensen
Max Jackson
Karen Fawcett

Staff Memo

Garbage Services
February 5, 2025

To: Harrisville Mayor and City Council
From: Jennie Knight, City Administrator
RE: Spring/Fall Clean Up Events

Summary

Historically the Spring and Fall Clean Ups have been paid out of the General Fund and staff has been discussing the possibility of having the enterprise fund cover these costs. A typical cleanup costs around \$7,000 which would be approximately \$15,000 to cover some inflation. Along with this discussion, staff has identified some opportunity for cost savings if we implement some control measure for resident verification on these events. With the completion of the new public works building, the opportunity to implement these control measures would be possible. There would be an increase in overtime for employees to extend the hours of the clean up to cover evenings or a weekend. We question whether the participation in these events is solely used by Harrisville residents with the dumpsters located at the main park. Staff is looking for direction from Council on how to proceed with these cleanup events.



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Staff Memo

Surplus of Miscellaneous Items
February 5, 2025

To: Harrisville Mayor and City Council
From: Jennie Knight, City Administrator
RE: Surplus of Miscellaneous Items

Summary

Harrisville City Staff is requesting authorization to surplus a variety of miscellaneous items as part of the commencement of the relocation of Public Works Building and various items being stored at the Harrisville Cabin (including two refrigerators). Items of value will be sold at fair market price.