Exhibit A

CLARKSTON TOWN

Compiled Financial Statements

For the Year Ended June 30, 2025

DRAFT

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Mayor and Town Council
Clarkston Town
Clarkston, Utah

Management is responsible for the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Clarkston Town (the Town), as of and for the year ended June 30, 2025, and related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information, on pages 2 through page 7 and page 31, be presented to supplement the basic financial statements. Such information, 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. This information is the representation of management. This information was subject to our compilation engagement; however, I have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

MATTHEW REGEN, CPA, PC

January 2, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Clarkston Town (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The total net position (government and business-type activities) of the Town increased during fiscal year 2025 by $82,976 to a total of $2,722,246. The governmental net position increased by $56,643 and the business-type net position increased by $26,333.

- The total net position (government and business-type activities) of the Town consist of $1,913,021 in capital assets, net of related debt, $107,588 in restricted net position and $701,637 in unrestricted net position.

- The total long-term liabilities of the Town were reduced $53,577 during the fiscal year 2025.

REPORTING THE TOWN AS A WHOLE

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town'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 supplementary information in addition to the basic financial statements.

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

- *The statement of net position* presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. However, there will also be a need to consider other non-financial factors.

- *The statement of activities* presents information showing how the Town's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, parks and recreation, and public works. The business-type activities of the Town include the water utility. The government-wide financial statements can be found on pages 8 and 9 of this report.

REPORTING THE TOWN'S MOST SIGNIFICANT FUNDS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 effect of the Town'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 only major governmental funds (as determined by generally accepted accounting principles) are the General Fund and the Perpetual Care Fund.

- **Proprietary funds** - The Town maintains only one proprietary fund, an enterprise fund, to account for its culinary water utility operations. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. As determined by generally accepted accounting principles, the Water Fund meets the criteria for major fund classification.

- **Fiduciary funds -** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Town currently has no fiduciary funds.

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 Town, assets exceeded liabilities by $2,722,246.

By far, the largest portion of the Town's net position (70 percent) reflect its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less depreciation and any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town'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 resources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following schedules present summarized information from the Statement of Net Position and the Statement of Activities:

STATEMENT OF NET POSITION

		Governmental Activities			Business-type Activities		
		2025	2024	2023	2025	2024	2023
Current and other assets	$	485,929	481,355	568,311	466,451	437,925	418,684
Capital assets, net		1,964,227	1,031,736	796,858	968,217	1,010,255	1,052,294
Total assets		2,450,156	1,513,091	1,365,169	1,434,668	1,448,180	1,470,978
Current liab. and deferred inflows		148,525	144,758	84,942	48,398	46,243	47,370
Noncurrent liabilities		876,655	-	-	89,000	131,000	173,000
Total liabilities and deferred inflows		1,025,180	144,758	84,942	137,398	177,243	220,370
Invested in capital assets, net of debt		1,075,804	1,031,736	796,858	837,217	837,255	838,294
Restricted		107,588	106,374	245,223	-	-	-
Unrestricted		241,584	230,223	238,146	460,053	433,682	412,314
Total net position	$	1.424,976	1.368,333	1.280,227	1,297,270	1,270,937	1,250,608

See independent accountant's compilation report.

STATEMENT OF ACTIVITIES

		Governmental Activities			Business-type Activities		
		2025	2024	2023	2025	2024	2023
Revenues:							
Program revenues:							
Charges for services	$	156,610	166,295	143,868	135,359	136,817	155,936
Operating grants		86,152	98,304	68,310	-	-	-
Capital grants		2,213	2,229	45,606	-	-	-
General revenues:							
Property taxes		106,120	61,879	61,004	-	-	-
Sales and use taxes		141,669	138,705	141,143	-	-	-
Franchise taxes		5,737	4,666	6,208	-	-	-
Interest income		34,284	44,326	26,051	-	-	-
Total revenues		533,288	516,404	492,190	135,359	136,817	155,936
Expenses:							
General government		133,574	152,914	204,190	-	-	-
Public safety		53,936	66,526	51,912	-	-	-
Streets and public improvements		138,600	76,089	64,592	-	-	-
Parks and recreation		76,739	66,568	62,335	-	-	-
Sanitation		73,739	66,201	63,029	-	-	-
Water utility		-	-	-	109,026	116,488	115,430
Total expenses		476,645	428,298	446,058	109,029	116,488	115,430
Change in net position		56,643	88,106	46,132	26,333	20,329	40,506
Net position – beginning (07-01)		1,368,333	1,280,227	1,234,095	1,270,937	1,250,608	1,210,102
Net position – ending (06-30)	$	1,424,976	1,368,333	1,280,227	1,297,270	1,270,937	1,250,608

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of $349,172, an increase of $12,575 from the prior year. Of this total amount $241,584 constitutes unassigned fund balance, which is available to meet the future financial needs of the Town. The remainder of fund balance is restricted to indicate that it is not available for new spending because it is legally required to be used for the perpetual care of the cemetery and for capital projects.

See independent accountant's compilation report.

The General Fund is the chief operating fund of the Town. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses are accounted for in this fund.

Taxes continue to be the largest source of revenue in the General Fund and represent 48 percent of total General Fund revenues. The two largest elements of taxes are sales taxes and property taxes. Combined, they represent 98 percent of total tax revenues and 46 percent of the total General Fund revenues.

The Town maintains an enterprise fund to account for the business-type activities of the Town. The separate fund statements included in this report provide the same information for business-type activities as is provided in the government-wide financial statements. However, the difference is that the fund statements provide much more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the current fiscal year the General Fund budget for revenues was $601,563. The actual revenue was $503,138. This resulted in an unfavorable variance of $98,425 for revenue. The General Fund budget for expenditures was $601,563. The actual expenditures were $357,811. This resulted in a favorable variance of $243,752 for expenditures. Overall, the Town had a favorable variance for the excess of revenues over expenditures of $145,327.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounts to $2,932,444 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, park facilities, roads and infrastructure (streets, sidewalks, curb and gutter, etc.). The increase in the Town's investment in capital assets for the current fiscal year was $1,035,536 and depreciation expense was $145,083.

Major capital assets purchased during the fiscal year included the following:

- $70,660 in road improvements
- $942,198 in new town hall improvements
- $11,352 in park improvements
- $11,326 in pickleball and basketball court improvements

Additional information on the Town's capital assets can be found in the footnotes to this financial report.

Long-term debt – At June 30, 2025, the Town had total debt outstanding of $1,019,423 which consists of water revenue bonds used to improve the water system, and a note payable for town hall improvements.

Additional information on the outstanding debt obligations of the Town can be found in the footnotes to this financial report.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Clarkston Town, P.O. Box 181, Clarkston, Utah, 84305.

CLARKSTON TOWN
STATEMENT OF NET POSITION
JUNE 30, 2025

		Primary Government		
Assets		Governmental Activities	Business-type Activities	Total
Pooled cash and cash equivalents	$	350,893	459,863	810,756
Receivables, net		135,036	6,588	141,624
Fixed assets, net		1,964,227	968,217	2,932,444
Total assets		2,450,156	1,434,668	3,884,824
Liabilities & Deferred Inflows of Resources				
Liabilities:				
Accounts payable and accrued expenses		40,771	6,398	47,169
Bonds payable:				
Due within one year		11,768	42,000	53,768
Due within more than one year		876,655	89,000	965,655
Deferred inflows of resources		95,986	-	95,986
Total liabilities & deferred inflows		1,025,180	137,398	1,162,578
Net Position				
Investments in capital assets, net of related debt		1,075,804	837,217	1,913,021
Restricted:				
Perpetual care		32,588	-	32,588
Capital projects		75,000	-	75,000
Unrestricted		241,584	460,053	701,637
Total net position	$	1,424,976	1,297,270	2,722,246

See accompanying notes and independent accountant's compilation report.

CLARKSTON TOWN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental:							
General government	$ 133,574	36,126		-	(97,448)	-	(97,448)
Sanitation	73,796	82,304	-	-	8,508	-	8,508
Public safety	53,936	10,050	4,503	-	(39,383)	-	(39,383)
Streets and public improvements	138,600	150	82,152	-	(56,298)	-	(56,298)
Parks and recreation	76,739	27,980	-	2,213	(46,546)	-	(46,546)
Total governmental activities	476,645	156,610	86,655	2,213	(231,167)	-	(231,167)
Business-type activities:							
Water fund	109,026	135,359	-	-	-	26,333	26,333
Total business-type activities	109,026	135,359	-	-	-	26,333	26,333
Total primary government	$ 585,671	291,969	86,655	2,213	(231,167)	26,333	(204,834)
General revenues:							
Taxes:							
Sales and use tax					141,669	-	141,669
Property tax					106,120	-	106,120
Franchise and other taxes					5,737	-	5,737
Total taxes					253,526	-	253,526
Interest income					34,284	-	34,284
Total general revenues					287,810	-	287,810
Change in net position					56,643	26,333	82,976
Net position - beginning					1,368,333	1,270,937	2,639,270
Net position - ending					$ 1,424,976	1,297,270	2,722,246

See accompanying notes and independent accountant's compilation report.

CLARKSTON TOWN
BALANCE SHEET -
GOVERNMENTAL FUNDS
JUNE 30, 2025

Assets		General Fund	Perpetual Care Fund	Capital Projects Fund	Total Governmental Funds
Pooled cash and cash equivalents	$	237,428	38,465	75,000	350,893
Receivables, net		135,036	-	-	135,036
Total assets		372,464	38,465	75,000	485,929
Liabilities, Deferred Inflows of Resources & Fund Balance					
Liabilities:					
Accounts payable and accrued liabilities		34,894	5,877	-	40,771
Deferred inflows of resources		95,986	-	-	95,986
Total liabilities & deferred inflows		130,880	5,877	-	136,757
Fund balance:					
Restricted - Care of cemetery/Capital improvements		-	32,588	75,000	107,588
Unassigned		241,584	-	-	241,584
Total fund balance		241,584	32,588	75,000	349,172
Total liabilities, deferred inflows of resources and fund balance	$	372,464	38,465	75,000	485,929

See accompanying notes and independent accountant's compilation report.

CLARKSTON TOWN
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total fund balance for governmental funds		$ 349,172
Net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	$ 39,321	
Buildings and improvements	2,462,876	
Equipment	475,716	
Accumulated depreciation	(1,013,686)	1,964,227
Long-term liabilites and related accrued interest are not due and payable in the current period and, therefore, are not reported in the funds		(888,423)
Net position of governmental activities		$ 1,424,976

See accompanying notes and independent accountant's compilation report.

CLARKSTON TOWN
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Perpetual Care Fund	Capital Projects Fund	Total Governmental Funds
Revenues:				
Taxes	$ 253,526	-	-	253,526
Licenses and permits	8,452	-	-	8,452
Intergovernmental	84,562	-	-	84,562
Charges for services	92,158	25,510	-	117,668
Miscellaneous revenues	64,440	4,640	-	69,080
Total revenues	503,138	30,150	-	533,288
Expenditures:				
General government	88,977	-	-	88,977
Sanitation	73,796	-	-	73,796
Public safety	40,462	-	-	40,462
Streets and public improvements	97,693	-	1,033,965	1,131,658
Parks and recreation	56,883	28,937	-	85,820
Total expenditures	357,811	28,937	1,033,965	1,420,713
Excess (deficiency) of revenues over expenditures	145,327	1,213	(1,033,965)	(887,425)
Other financing sources:				
Proceeds from note payable	-	-	900,000	900,000
Transfers in (out)	(133,965)	-	133,965	-
Total other financing uses	(133,965)	-	1,033,965	900,000
Excess (deficiency) of revenues and other financing uses over expenditures and other financing uses	11,362	1,213	-	12,575
Fund balance - beginning of year	230,222	31,375	75,000	336,597
Fund balance - end of year	$ 241,584	32,588	75,000	349,172

See accompanying notes and independent accountant's compilation report.

CLARKSTON TOWN
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, 2025

Net change in fund balance - Total governmental funds	$	12,575
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of $1,035,536 exceeded depreciation expense of $103,045 in the current year.		932,491
The issuance of long-term debt (e.g., bond, notes) provide current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither tranaction, however, has any effect on net position. This amount is the net effect of these differences in treatment of long term debt.		(888,423)
Changes in net position of governmental activities	$	56,643

See accompanying notes and independent accountant's compilation report.

CLARKSTON TOWN
STATEMENT OF NET POSITION -
PROPRIETARY FUND
JUNE 30, 2025

Assets		Water Fund	Total Business-type Activities
Pooled cash and cash equivalents	$	459,863	459,863
Receivables, net		6,588	6,588
Fixed assets, net		968,217	968,217
Total assets		1,434,668	1,434,668
Liabilities			
Accounts payable and accrued liabilities		6,398	6,398
Non-current liabilities:			
Due within one year		42,000	42,000
Due in more than one year		89,000	89,000
Total liabilities		137,398	137,398
Net Position			
Investments in capital assets, net of related debt		837,217	837,217
Unrestricted		460,053	460,053
Total net position	$	1,297,270	1,297,270

See accompanying notes and independent accountant's compilation report.

CLARKSTON TOWN
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION -
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

		Water Fund	Total Business-type Activities
Operating revenues:			
Services	$	131,189	131,189
Hookups and other revenues		4,170	4,170
Grants		-	-
Total operating revenues		135,359	135,359
Operating expenses:			
Salaries and wages		16,961	16,961
Current expenses		36,257	36,257
Depreciation		42,038	42,038
Total operating expense		95,256	95,256
Operating income		40,103	40,103
Non-operating income (expense):			
Impact fee income		-	-
Interest expense		(13,770)	(13,770)
Total non-operating income		(13,770)	(13,770)
Change in net position		26,333	26,333
Net position - beginning of year		1,270,937	1,270,937
Net position - end of year	$	1,297,270	1,297,270

See accompanying notes and independent accountant's compilation report.

CLARKSTON TOWN
STATEMENT OF CASH FLOWS -
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2025

		Water Fund	Total Business-type Activities
Cash flows from operating activities:			
Receipts from customers and users	$	135,887	135,887
Payments to employees		(16,961)	(16,961)
Payments to suppliers		(34,102)	(34,102)
Net cash provided by operating activities		84,824	84,824
Cash flows from non-capital financing activities		-	-
Cash flows from capital and related financing activities:			
Impact fee income		-	-
Purchase of water system equipment		-	-
Principal payments on bonds		(42,000)	(42,000)
Net cash used by capital and related financing activities		(42,000)	(42,000)
Cash flows from investing activities:			
Interest expense		(13,770)	(13,770)
Net cash used by investing activities		(13,770)	(13,770)
Net increase in cash and cash equivalents		29,054	29,054
Cash and cash equivalents at beginning of year		430,809	430,809
Cash and cash equivalents at end of year	$	459,863	459,863
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$	40,103	40,103
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization		42,038	42,038
Change in assets and liabilities:			
Decrease in accounts receivable		528	528
Increase in accounts payable		2,155	2,155
Total adjustments		44,721	44,721
Net cash provided by operating activities	$	84,824	84,824

See accompanying notes and independent accountant's compilation report.

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Clarkston Town (the Town) was incorporated under the laws of the state of Utah. The Town operates by ordinance under the Mayor-Council form of government and provides such services as are authorized by its charter including public safety (police and fire), highway and streets, sanitation, recreation, public improvements, planning and zoning, and general administration. In addition, the Town owns and operates a water utility.

The accounting and reporting policies of the Town relating to the accompanying financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued prior to December 1, 1989, which do not conflict with or contradict GASB pronouncements. The Town has elected not to follow FASB pronouncements issued after November 30, 1989 in the preparation of these financial statements. The following represents the more significant accounting and reporting policies and practices used in the preparation of these financial statements:

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town and its component units. The interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Note 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 and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue 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 Town applies expenses for restricted resources first when both restricted and unrestricted net position is available.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected 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, expenditures relating to compensated absences, and claims and judgments are recognized only when payment is due.

Property taxes, state-shared revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and, therefore, have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be available only when cash is received by the Town.

The Town reports the following major governmental funds:

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

- The Perpetual Care Fund is used to report resources legally restricted to the extent that earnings may only be used for purposes to support the Town's cemetery.

The Town reports the following major proprietary fund:

- The Water Utility accounts for the activities of the Town's water production, treatment, and distribution operations.

Note 1 – Summary of Significant Accounting Policies (continued)

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an individual cost of more than $2,500 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible fixed assets used is charged as an expense against the Town's operations. Accumulated depreciation is reported on the financial statements. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	10 to 40 years
Water system and equipment	7 to 50 years
Machinery and equipment	5 to 20 years
Infrastructure	50 years

In the governmental fund financial statements, the acquisition or construction of capital assets is accounted for as capital outlay expenditures.

Equity Classifications: Government-wide Financial Statements

Equity in the government-wide financial statements is classified as net position and displayed in three components:

- Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of these assets.

Note 1 – Summary of Significant Accounting Policies (continued)

- Restricted net position – Consists of net position with constraints placed on the usage whether by 1) external groups such as creditors, grantors or laws and regulations of other governments; 2) law through constitutional provisions or enabling legislation.

- Unrestricted net position – All other net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Equity Classifications: Fund Financial Statements

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

a. Non-spendable – Fund balances that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

b. Restricted fund balances – Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, by law through constitutional provision or enabling legislation, or restrictions set by creditors, grantors, or contributors.

c. Committed fund balance – Fund balances are reported as committed when the Council formally designates the use of resources by ordinance or resolution for a specific purpose and cannot be used for any other purpose unless the Town Council, likewise, formally changes the use.

d. Assigned fund balance – Fund balances are reported as assigned when the Town Council or management intends to use funds for a specific purpose. Normally funds are assigned by the appropriation process of setting the budget. Additionally, funds in special revenue, debt service, and capital project funds are by their nature assigned to the purpose of those respective funds.

e. Unassigned fund balance – Fund balances in the General Fund are reported as unassigned when they are neither restricted, committed, nor assigned. They may be used for any governmental purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances is available, the Town considers restricted funds to have been spent first. When an

Note 1 – Summary of Significant Accounting Policies (continued)

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

Property Taxes

Cache County assesses all taxable property other than centrally-assessed property, which is assessed through the state, by May 22 of each year. The Town must adopt a final tax rate prior to June 22, which is then submitted to the State for approval. Property taxes are due on November 30. Delinquent taxes are subject to a penalty of 2% or $10.00, whichever is greater. After January 16 of the following year, delinquent taxes and penalties bear interest at 6% above the federal discount rate from January 1 until paid.

Property tax revenues are recognized when they become measurable and available. Amounts available include those property tax receivables expected to be collected within 60 days after year end.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for governmental and proprietary fund types. Encumbrance accounting is not employed by the Town in its governmental funds, therefore all annual appropriations lapse at fiscal year end. Project-length financial plans are adopted for all capital project funds.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the Statement of Net Position, the term "cash and cash equivalents" includes all demand deposit accounts, savings accounts, or other short-term, highly-liquid investments. For the purposes of the Statement of Cash Flows, the enterprise funds consider all highly liquid investments (including restricted position) with original maturities of three months or less to be cash equivalents.

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as revenue until that time. Property taxes (previously reported as deferred revenues) are reported as deferred inflows of resources since they are recognized as receivables before the period for which the taxes are levied. These deferred inflows are reported on the Statement of Net Position and the Balance Sheet – Governmental Funds.

Subsequent Events

The Town has evaluated all subsequent events through January 2, 2026, the date the financial statements were available to be issued.

Note 2 – Deposits and Investments

The Town follows the requirements for the Utah Money Management Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and temporary investment transactions. This Act requires the depositing of Town funds in a “qualified depository”. The Act defines a “qualified depository” as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Utah Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposits may not be returned. The Town does not have a formal deposit policy for custodial credit risk. As of June 30, 2025, $408,586 of the Town’s bank balances were uninsured and/or uncollateralized.

Investments

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

Statutes authorize the Town 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, one of which must be Moody’s Investors Service or Standards &

Note 2 – Deposits and Investments (continued)

Poor's; bankers' acceptances; obligations of the United States Treasury including bills, notes and bonds; 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 money market mutual fund as defined by the Act; and the Utah State Public Treasurer's Investment Fund (PTIF).

The Utah State Treasurer's Office operates the PTIF. The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Act established by 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, net of administrations fees, of the PTIF 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.

The Town's investments on June 30, 2025, consisted of the following:

Investment Type	Fair Value	Maturities (Less than one year)	Quality Rating
State of Utah PTIF	$0	$0	Unrated

Interest Rate Risk – Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The Town's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits and fixed rate corporate obligations of 270 to 365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have remaining term to final maturity exceeding two years.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town's policy for reducing its exposure to credit risk is to comply with the Act as previously discussed. See the quality ratings on the investment schedules above.

Note 2 – Deposits and Investments (continued)

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a formal investment policy for custodial credit risk in regard to the custody of the Town's investments.

Concentration of Credit Risk – Concentrations of credit risk is the risk of loss attributed to the magnitude of government's investment in a single issuer. The Town's policy for reducing this risk of loss is to comply with the Rules of Money Management Council.

Note 3 – Legal Compliance – Budgets

On or before the first scheduled Town council meeting in May, all agencies of the Town submit requests for appropriation to the Town's financial officer so that a budget may be prepared. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the Town council for review at the first scheduled meeting in May. The Town council holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes to the budget must be within the revenues and reserves estimated as available by the Town financial officer or the revenue estimates must be changed by an affirmative vote of a majority of the Town council. Within 30 days of adoption, the final budget must be submitted to the State Auditor. If there is no increase to the certified tax rate, a final tax rate is adopted by June 22 and adoption of budgets is done similarly.

State statue requires that Town officers shall not make or incur expenditures or encumbrances in excess of total appropriations for any department in the budget as adopted or subsequently amended.

Note 4 – Receivables

The Town has property and sales taxes, accounts receivable and receivables due from other governments as of June 30, 2025 as follows:

General Fund:		
Taxes:		
Property taxes	$	94,654
Sales taxes		22,506
Total taxes receivable		117,160
Accounts:		
Sanitation		4,792
911 fees		555
Total accounts receivable		5,347
Due from other governments:		
Class "C" roads – State of Utah		12,529
Total due from other governments		17,876
Total receivables	$	135,036
Water Fund:		
Accounts:		
Services and fees	$	6,588
Total receivables	$	6,588

Note 5 – Capital Assets

Capital asset changes occurring for the year ended June 30, 2025, are as follows:

	July 1, 2024	Additions	Deletions	June 30, 2025
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 39,321	-	-	39,321
Total capital assets not being depreciated	39,321	-	-	39,321
Capital assets being depreciated:				
Buildings	1,427,339	1,035,536	-	2,462,875
Equipment	475,717	-	-	475,717
Total capital assets being depreciated	1,903,056	1,035,536	-	2,938,592
Accumulated depreciation for:				
Buildings	(534,334)	(69,138)	-	(603,472)
Equipment	(376,306)	(33,907)	-	(410,213)
Total accumulated depreciation	(910,640)	(103,045)	-	(1,013,685)
Total capital assets being depreciated, net	992,416	932,491	-	1,924,907
Total governmental activities Capital assets, net	$ 1,031,736	932,491	-	1,964,227

Depreciation expense was charged to functions of the Town as follows:

General government	$ 44,597
Public safety	13,474
Streets and public improvements	31,377
Parks and recreation	13,597
Total depreciation expense	$ 103,045

Note 5 – Capital Assets (continued)

		July 1, 2024	Additions	Deletions	June 30, 2025
Business-type Activities:					
Capital assets not being depreciated:					
Land	$	1,000	-	-	1,000
Total capital assets not being depreciated		1,000	-	-	1,000
Capital assets being depreciated:					
Equipment		139,054	-	-	139,054
Improvements		1,984,895	-	-	1,984,895
Total capital assets being depreciated		2,123,949	-	-	2,123,949
Accumulated depreciation for:					
Equipment		(34,859)	(2,341)	-	(37,200)
Improvements		(1,079,833)	(39,698)	-	(1,119,531)
Total accumulated depreciation		(1,114,692)	(42,038)	-	(1,156,731))
Total capital assets being depreciated, net		1,009,255	(42,038)	-	967,217
Total business-type activities capital assets, net	$	1,010,255	(42,038)	-	968,217

Note 6 – Impact Fees

The Town assesses impact fees for water improvements as allowed by state law. Impact fees represent fees assessed by the Town for future capital improvements. These fees are not intended to recover impact costs for growth in areas not assessed by the Town. The Town reports as restricted net position and fund balance the excess of the impact fees collected over the uses for identified projects.

Note 7 – Long-term Debt

Long-term liability transactions for the fiscal year ended June 30, 2025, were as follows:

		Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities:						
Note payable	$	-	900,000	(11,577)	888,423	11,768
Bonds payable		173,000	-	(42,000)	131,000	42,000
Total business-type long-term liabilities	$	173,000	900,000	(53,577)	1,019,423	53,768

Business-type Activities

Long-term debt for business-type activities consists of the following:

Bonds payable

$900,000 Note payable, entered into December 15, 2023. Due to a bank in annual installments ranging from $67,294 - $68,027, including interest at 6.25 percent, through January 2028, interest at 6.363 percent through January 2048, and a balloon payment of $351,776 due January 2049.		888,423
$705,000 Water revenue bonds, Series 2007, issued May 1, 2007. Due to the State of Utah in annual installments ranging from $27,000 - $45,000, including interest at 2.74 percent, through January 2028.		131,000
Total	$	1,019,423

The following is a summary of the annual payments to maturity:

Year Ending June 30,		Principal	Interest	Totals
2026		53,768	59,116	112,883
2027		56,503	57,230	113,733
2028		58,285	55,243	113,527
2029		13,980	54,047	68,027
2030		14,758	53,269	68,027
Thereafter		822,129	754,140	1,576,269
Totals	$	1,019,423	1,033,044	2,052,467

Note 8 – Fund Balance Classifications

Pursuant to GASB No. 54 (see Note 1, *Equity Classifications: Fund Financial Statements*) the governmental fund balances are classified as follows:

Restricted fund balance – $32,588 for the perpetual care of the cemetery.
Restricted fund balance – $75,000 for capital projects.

The remaining fund balance is unassigned.

REQUIRED SUPPLEMENTARY INFORMATION

CLARKSTON TOWN
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

		Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:					
Taxes	$	297,666	297,666	253,526	(44,140)
Licenses and permits		25,250	25,250	8,452	(16,798)
Intergovernmental		81,500	81,500	84,562	3,062
Charges for services		75,000	75,000	92,158	17,158
Miscellaneous revenues		122,147	122,147	64,440	(57,707)
Total revenues		601,563	601,563	503,138	(98,425)
Expenditures:					
General government		252,087	252,087	88,977	163,110
Public safety		56,500	56,500	40,462	16,038
Streets and public improvements		122,810	122,810	97,693	25,117
Sanitation		65,000	65,000	73,796	(8,796)
Parks and recreation		105,166	105,166	56,883	48,283
Total expenditures		601,563	601,563	357,811	243,752
Excess (deficiency) of revenues over expenditures		-	-	145,327	145,327
Other financing sources (uses):					
Unappropriated fund balance:		-	-	-	-
Transfers out		-	-	(133,965)	
Total other financing sources		-	-	(133,965)	-
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	$	-	-	11,362	145,327
Fund balance - beginning of year	$			230,222	
Fund balance - end of year	$			241,584	

See independent accountant's compilation report.