

**Comprehensive Annual Financial Report**  
of  
**CLEARFIELD CITY CORPORATION**  
**Clearfield City, Utah**

For the Year Ended June 30, 2018

Jon J Allen, City Manager  
Rich Knapp, Finance Manager

# Clearfield City Corporation

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For the Year Ended June 30, 2018

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# **INTRODUCTORY SECTION**



November 15, 2018

To the Honorable Mayor, Members of the City Council, and the Citizens of Clearfield City:

It is my pleasure to present the 2018 Comprehensive Annual Financial Report (CAFR) of Clearfield City for the fiscal year ended June 30, 2018.

This report is formatted to comply with the Governmental Accounting Standards Board (GASB) Statement 34. Additionally, State law requires that all local governments publish a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Government Auditing Standards by a firm of licensed certified public accountants. This CAFR accomplishes these requirements.

The government-wide financial statements include a Statement of Net Position which provide the total net position of the City including all capital assets and the Statement of Activities that shows the cost of providing government services.

This report is published to provide the Clearfield City Council, staff, residents, the State of Utah and other interested groups, including investors, creditors, and grantor agencies, with detailed information concerning the financial condition and activities of the city government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with city management.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## **GENERAL INFORMATION**

### **History and Background**

Clearfield originally incorporated on July 17, 1922. Bordering the east side of Clearfield City is Hill Air Force Base (HAFB). The Base was established in 1941 at the onset of World War II. Less than a year later, Army and Navy engineers chose Clearfield as a strategic site for the largest U.S. Naval Supply Depot, which was completed in 1942. In 1963, the Clearfield Naval Supply Depot became what is known as the Freeport Center. After the military installations were established, Clearfield's population grew rapidly. Government sponsored housing projects

developed. Roads, culinary water reservoirs, water and sewer lines, sidewalks, and curb and gutters were installed to meet the needs of the new citizens.

Clearfield is home to one of more than 124 centers of Management Training Corporation throughout the United States. Also known as Clearfield Job Corp it was established in 1966 to provide training to “at risk” youth, equipping them with skills to enter the workforce and to prepare them to interact in society. It currently houses and provides training for young people from every state in the U.S. and over 20 countries. Clearfield Job Corps is the 3rd largest facility of its kind in the nation.

### **Location and Transportation**

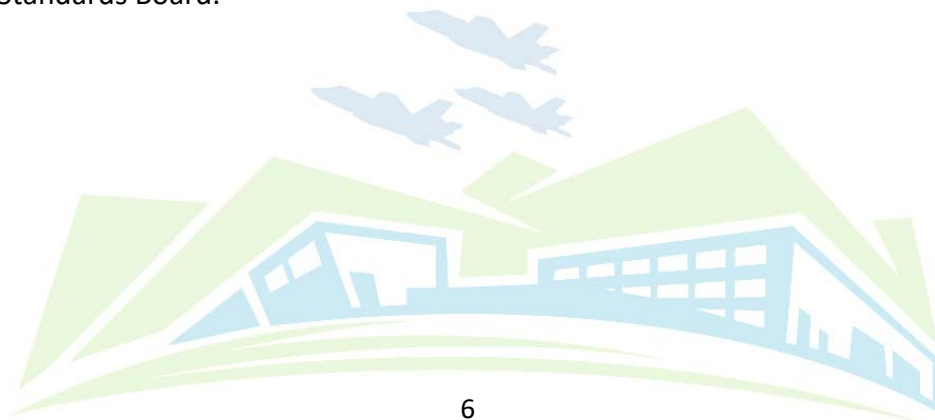
Clearfield City is the third largest city in Davis County. The City encompasses 7.67 square miles and is approximately 92% developed. Located in Northern Utah, Clearfield is 38 miles North of Salt Lake City. Clearfield City is easily accessible by Interstate 15, which runs North and South through the City. The Salt Lake International Airport can be reached within 35 minutes. Additionally, the Utah Transit Authority (UTA) provides daily mass transit service throughout the City and along the Wasatch Front.

### **ORGANIZATION**

Clearfield is a City of the Third class, (population between 30,000 and 60,000), operating under the Council-Manager form of government by ordinance. The legislative body is comprised of five council members and the Mayor, who establishes policy and procedure for the administration, organization, operation, conduct and business of the City. They adopt and amend the budget. They are assisted by the City Manager who is appointed by the Mayor and approved by the City Council, and is responsible for implementing City policy and overseeing the day-to-day management of the City.

The Mayor and Council members are elected at large to serve four-year terms. Elections, which are held every two years, are staggered to help facilitate the continuity of the City Council.

The Combined Financial Statements of the City include all government activities, organizations and functions for which the City is financially accountable as defined by the Governmental Accounting Standards Board.



Clearfield City provides a range of services, including police, budgeting, justice court, planning and zoning, business licensing, construction and maintenance of highways and streets, parks and recreation services, art programs and facilities, cemeteries, utility administrative services, water, sewer, storm sewer, solid waste and recyclables, fleet management, and risk management.

## **ECONOMIC CONDITION AND OUTLOOK**

Clearfield City boasts a prime location in northern Davis County. Hill Air Force Base is one of the largest employers in the State of Utah and has been awarded several contracts to maintain military aircraft, such as the new F-35 fighter jet. The development of the 550-acre Falcon Hill project is underway, with three office buildings “behind the gate” and one retail building “outside the gate” complete. The most recent addition is a new USTAR Innovation Center, outside the gate, which opened in November 2017. It is anticipated that 6 – 8 million square feet of new office space and incidental retail will be built over the next twenty years. Clearfield now provides municipal services to the project.

Clearfield’s manufacturing sector continues to grow. Americold Logistics completed a major expansion in the fall of 2017 – a 208,000 SF cold storage distribution center. Lifetime Products released a new line of high-end coolers and we are finalizing the creation of a CRA so they can expand by building a new distribution center here in Clearfield. Also, ATK Space Systems, now Northrup Grumman, continues to expand using local incentives to support this growth.

Plans for the development of Clearfield Station, a 70-acre commuter rail stop are in the final stages. Clearfield Station Apartments, a 216-unit apartment complex on ten acres is nearing completion and currently leasing to some of our newest Clearfield residents. Utah Transit Authority and the City have been working with the IBI Group to create a Station Area Plan for the remaining 60 acres of the transit-oriented development and await approval to move forward with developer selection the first of next year.

Downtown, a 120-unit apartment building—City Centre—is almost completely leased, but still searching for the right commercial tenant for the retail corner. The CDRA recently sold the former Knight property (17 and 51 North Main) to the developer who purchased the adjoining property (formerly the Albion property). DG Construction has begun site work on what will be a multi-building mix use development with 20,000 square feet of commercial/retail space along main street and more than 200 apartment units. The “Civic Center” of the Downtown Small Area Plan will soon be rounded out with the addition of a new Davis County Library on the corner of the development. The City and the County are currently working through the details of the land swap and expect construction of the new library to begin in the next year.

In addition, pursuant to the Downtown Small Area Plan adopted in late 2016, efforts to redevelop Lakeside Square and the Clearfield Mobile Home Park are gaining traction. The City/CDRA purchased the 15-acre mobile home park and spent most of the year closing the park and getting it ready for demolition. The City has also entered into a MOU with Lotus



Company to redevelop both this area and the east side of the street. We will continue to refine the vision for this area and hope to have “The Heart of Clearfield” under construction next year.

East of I-15, the 11-acre parcel at SR-193 / University Park Boulevard now called “Midtown University”, has been approved for mixed-use development. Another 40 vacant acres in Legend Hills are zoned for commercial use, and it is anticipated that due to imminent development on adjacent property in Layton, these acres will attract significant interest from national brand retailers within the next couple of years. The Tai Pan Trading building was purchased and G4CE Entertainment will be opening at the end of the year. In the newly renovated building, G4CE will become the premier family entertainment center in the region with a restaurant, mini-golf, go-cart, bowling, escape rooms, arcade games, virtual reality experiences and more!

## **MAJOR INITIATIVES**

### **Streets-**

In FY2018, \$555,700 of street maintenance was completed.

The Maintenance and Operations Center phase 2 construction began in the spring of 2017, and phase 2 of the building was occupied in July 2018. The fourth and final phase of the MOC will not be completed until FY2024.

The HAWK crossing at Clearfield High School was completed, and Pacific Street reconstruction is well on its way to completion.

### **Community Services-**

In FY2015, the city adopted a Parks, Arts, Recreation, Aquatic, and Trails (PARAT) sales tax. A PARAT master plan, developed with the Mayor and Council, serves as the basis for deciding PARAT projects in the future. The completion of the first PARAT projects occurred in FY17, and included new park equipment at North Steed, Island View, and Fisher Park. In FY18, Cornerstone, Central Park, and 200 S Park all received new equipment.

The Steed Park irrigation project was also completed in FY18.

### **Proprietary Funds -**

The City provides Water, Sewer, Storm Sewer and Solid Waste Services to over 6,500 residential and commercial accounts through Proprietary Funds. The City continued its line replacement program for the water, sewer and storm drain infrastructure. Freeport Z Street lines were upgraded and the 700 S Transformer was replaced.

### **Administration -**

In FY18, City Hall was remodeled to provide a consolidated customer service center. New financial and community development software was purchased and some modules were initiated in FY18.

A four page Budget in Brief was prepared for FY19, to summarize and simplify the budget.

Governmental Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Clearfield City Corporation for the Annual Budget beginning July 1, 2017 (FY2018).

In fiscal year ended June 30, 2017, the GFOA also awarded Clearfield City the Certificate of Achievement for Excellence in Financial Reporting, which is the highest form of recognition in the area of governmental accounting and financial reporting. The City has received this certificate 19 out of the last 21 fiscal years.

## **FINANCIAL INFORMATION**

### **Accounting System and Budgetary Control**

The City's accounting records for general governmental operations, utilities, and other proprietary activities are maintained on a modified accrual basis, with the revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred.

The City gives consideration to the adequacy of internal control structure in developing and maintaining its accounting system. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

- (1) The safeguarding of assets against loss from unauthorized use or disposition; and
- (2) The reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that:
  - (a) the cost of a control should not exceed the benefits likely to be derived; and
  - (b) the evaluation of costs and benefits requires estimates and judgments by management.

The City's internal controls adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

The City operates an integrated budgetary and accounting system, which incorporates the adoption of a formal legal budget. The City Council sets goals and objectives for the City staff, which then adopts the annual budget prepared by city management. State statutes define the legal level of budgetary control at the department level. Expenditures should not exceed appropriations at that level. Individual Departments can produce financial reports from current

data at any time, where the department head is responsible for monitoring their own departmental budgets. If needed, the budget is amended as required to consider necessary adjustments.

### **Financial Policies**

Clearfield City Council has adopted several financial policies along with strategic plans to give overall planning and guidance to staff. Two primary policies are the Fund Balance and Debt Service. The Fund Balance policy gives guidance on the unrestricted portion levels to maintain and how to prioritize any excess. The Debt Service policy is designed to give guidance on types of long term debt and how it may be issued. One item in this policy limits the amount of debt service to 25% of the fund's annual revenues.

Clearfield City also adopted a strategic plan that is updated yearly. This plan not only determines where we want to go, but exactly how we'll get there. The plan identifies current conditions, a vision, policy priorities, goals and strategies and three year project plans. This current plan can be found on the city's web site.

### **OTHER INFORMATION**

#### **Independent Audit**

Section 10-6-150 of the Utah Code Unannotated, and section III.D.01 of the State of Utah Uniform Accounting Manual require third class cities to prepare an annual financial report, and that an annual audit be conducted by an independent certified public accountant. The City has contracted with Ulrich and Associates, P.C., Certified Public Accountants. Their independent auditor's report has been included in this report.

#### **Acknowledgments**

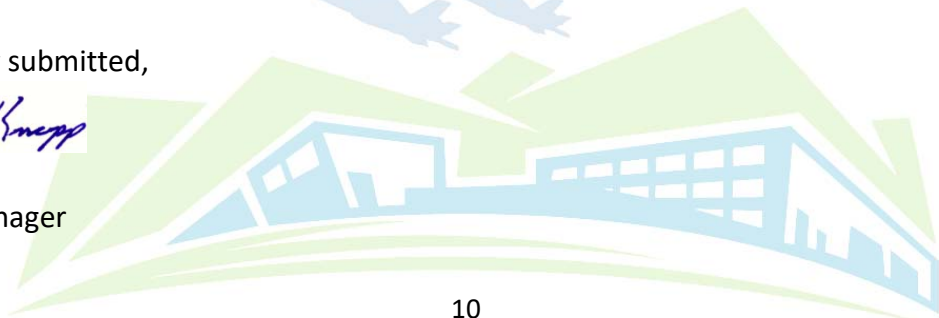
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire city staff who were instrumental in the successful completion of this report.

I would like to thank the Mayor and members of the City Council for their interest and support in the financial operations of the City, for demonstrating fiscal responsibility, and for striving to fulfill the duties and responsibilities of their respective offices.

Respectfully submitted,



Rich Knapp  
Finance Manager





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Clearfield City Corporation  
Utah**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

# Clearfield City Corporation

## City Officials

For the Year Ended June 30, 2018

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### Executive Budgetary

JJ Allen  
Summer Palmer  
Stuart Williams

City Manager  
Assistant City Manager  
City Attorney

### Statutory Appointed Officials

Nancy Dean  
Rich Knapp

City Recorder  
City Treasurer

### Department Heads

Spencer Brimley  
Scott Hodge  
Eric Howes  
Greg Krusi

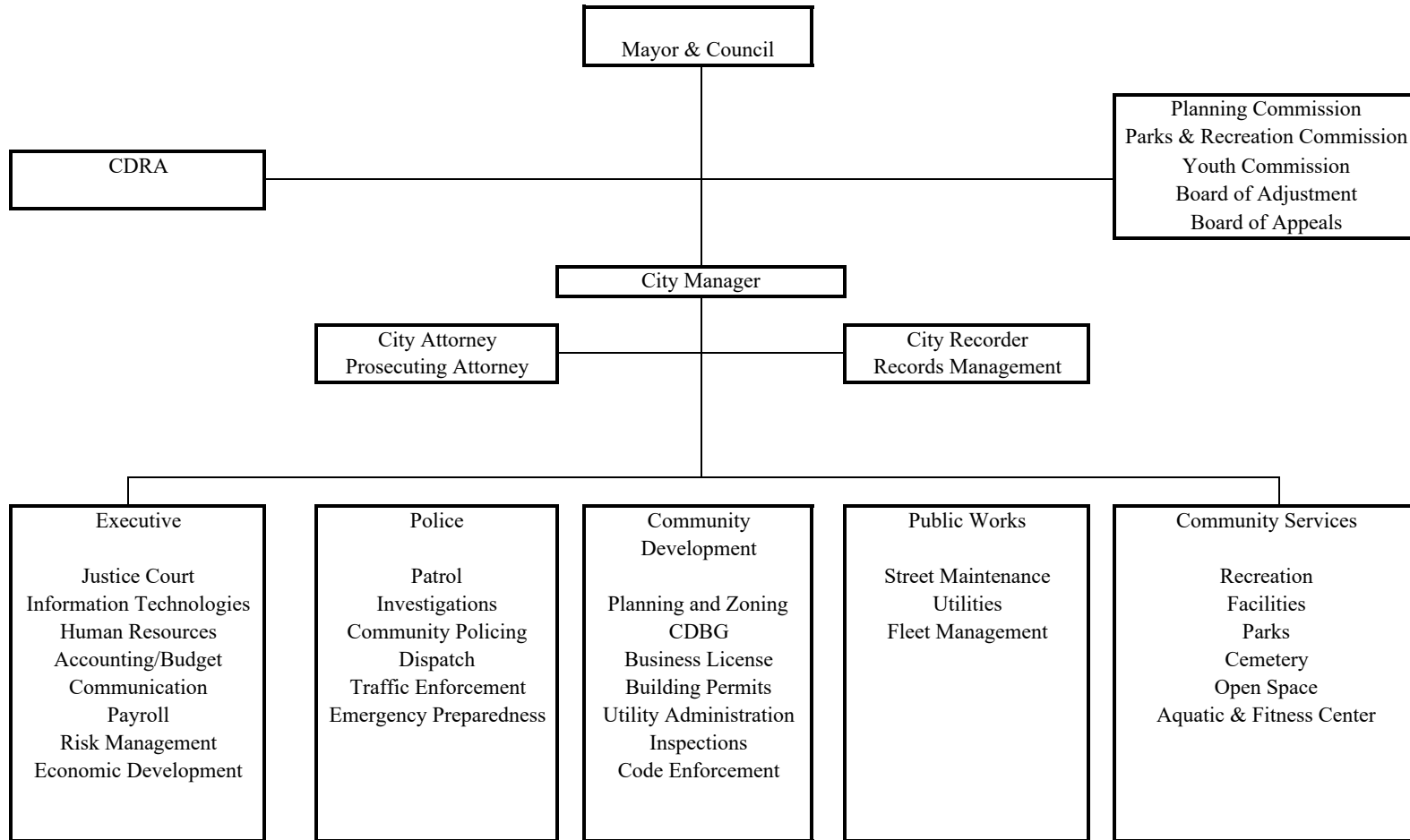
Community Development Director  
Public Works Director  
Community Services Director  
Police Chief

### Other City Officials

Kelley Bennett  
Audrey Curtis

Assistant Police Chief  
Human Resource Manager

## Clearfield City, Utah Organization Chart



## **FINANCIAL SECTION**

**INDEPENDENT AUDITORS' REPORT**

The Honorable Mayor and Members  
of the City Council  
Clearfield City, Utah

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Clearfield City Corporation, as of and for the year ended June 30, 2018, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of North Davis Fire District. These financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component unit, North Davis Fire District, is based solely upon the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clearfield City Corporation as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension related information, as listed in the table of contents, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clearfield City Corporation's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, statistical section, and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2018 on our consideration of Clearfield City Corporation'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 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 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 of Clearfield, Utah's internal control over financial reporting and compliance.

*Ulrich & Associates, P.C.*

Ogden, UT

November 15, 2018

## Management's Discussion and Analysis 2018

The independent auditors' opinion on basic financial statements preceding this section of the report specifically refers to the Basic Financial Statements that start on page 32. The management's discussion and analysis is not specifically audited. However, this discussion is "required supplementary information" and must be included in the report. This information helps residents and users of this report understand what happened financially during the past year, how it compared to prior years, and provides information on important things that will happen in the future.

### Financial Highlights

- Fiscal Year 2018 (FY2018) actual General Fund revenues were \$816,353 above expected or final budgeted numbers before Other Financing Sources. This is a 3.4% increase over budgeted revenue. Final budgeted revenues before Other Financing Sources were \$15,640,345 and final actual amounts are \$16,586,842. The largest increase from budgeted numbers came from Taxes. Sales and use taxes were \$386,220 above budget, property taxes were \$207,258 above budgeted amounts and energy sales and use taxes were \$198,154 above budgeted amounts. Overall taxes came in \$854,811 above final budgeted numbers. Lastly, federal grants were down \$154,101 from budgeted numbers, and other grants were down \$37,355 from budget.
- General Fund revenue before Other Financing Sources was up \$596,676 in FY2018 compared to FY2017. Revenues from taxes increased \$637,548 from FY17, and Parks and Recreation decreased by \$97,795.
- Revenues of \$16,586,842 and expenditures of \$20,641,593 in the general fund combined to have a net change in fund balance of (\$4,054,751), not including other financing sources and uses.
- The total assets of Clearfield City increased by \$9,534,206 to \$122,512,831. Total liabilities increased by \$29,155,931 to \$5,880,987. The largest component of the increase in liabilities was a new bond issue for Mabey Place Redevelopment.
- The total net position of \$91,684,596 are made up of \$64,585,153 invested in capital assets net of related debt, \$6,389,911 in restricted net position and \$20,709,532 in unrestricted net position.
- Outstanding Long Term General Obligation Bonds and Revenue Bonds government wide increased by \$3,890,541. General Obligation Bonds decreased by \$1,067,083. Revenue Bonds increased by \$5,977,645.
- The Comprehensive Annual Financial Report (CAFR) does state the North Davis Fire District in the report as a component unit, which is a separate column. For the Management Discussion and Analysis, this report will focus on the Governmental and Business-type activities excluding the Fire District.

## Overview of Financial Statements

There are three components in Clearfield City's basic financial statements: 1st government-wide financial statements-pages 32 and 34, 2<sup>nd</sup> fund financial statements-pages 36 to 56 and 3<sup>rd</sup> notes to the financial statements-pages 58 through 98.

GASB Statement no. 34 requires the addition of a government-wide financial statement presentation. The government-wide financial statements focus on *operational accountability*. Operation accountability is how efficiently and effectively the City uses resources to meet city objectives and provide city services. The government-wide financial reports also help measure the ability to continue to provide services for the foreseeable future by presenting net position and using *full accrual accounting* instead of the *modified accrual accounting* historically used. The Statement of Net Position and the Statement of Activities report city activities under two categories: governmental activities and business-type activities. Governmental activities are those principally supported by taxes and intergovernmental revenues. Business-type activities are those that recover all or a significant portion of their costs through user fees and charges.

The notes to financial statements are essential to understanding the details underlying the statements. Notes that were required in prior years are still included in this year's report. This year's notes also have more detailed information and explanations of government-wide and fund financial statements.

### **Government-wide financial statements: pages 32 to 34.**

Clearfield City's Statement of Net Position: page 32.

Clearfield City's Statement of Net Position reports as of June 30, 2018, the end of the fiscal year. This statement is a "picture" of the City's assets and liabilities on the last day of the fiscal year. On June 30, 2018 the City's total net position exceeded liabilities by \$91,684,596. The statement shows that unrestricted net position of \$20,709,532 are enough to cover the current liabilities of \$6,569,964.

#### *Assets*

Clearfield City's assets on June 30, 2018 were \$122,512,831, an increase of \$9,534,206 from the previous fiscal year. Cash and cash equivalents decreased \$1,726,914, and taxes receivable increased \$214,134. Other receivables also decreased by \$84,125.

Of the total assets, about \$86,457,296 are capital assets (i.e. land, buildings, streets, sewer and water systems, equipment, and current projects). Please note that the capital assets are "net of accumulated depreciation". This means the values are an indication of the age of the assets. An older asset will have more depreciation subtracted from the original cost of the asset and will have a smaller value. For the Governmental Activities including the Fleet Internal Service Fund (ISF), accumulated depreciation is approximately \$43.3 million dollars or 51.5% of the purchase price or estimated historical purchase price for the older infrastructure that was valued and added to the

listing. For the Business-type activities, accumulated depreciation is approximately \$43.7 million dollars and is 49% of the purchase price. More information on depreciation is available in the Notes to the Financial Statements on pages 64, 70 and 78 - 80. Schedules of general capital assets are on pages 117 to 119.

*Liabilities*

Clearfield City’s liabilities on June 30, 2018 were \$29,155,931. Non-current liabilities are 77% and current liabilities are 23% of the total liabilities. The 23% is \$6,569,964 and represents what the City will need to pay out in the coming year. This includes debt payments that are due in the coming year. The 77% of non-current liabilities is \$22,585,967, with \$19,786,528 in a capital lease and revenue & general obligation bond debt and \$205,907 for noncurrent compensated absences. Liabilities increased from the prior year by \$5,880,984. This increase was mostly the Mabey Place Redevelopment bond.

For detailed information see pages 83 to 86, which has the debt section of Clearfield City’s Notes to Financial Statements.

<u>Current Liabilities</u>		<u>Non-current Liabilities</u>	
Leases, loans, notes payable	1%	Capital Lease	7%
Compensated Absences	1%	Loans- Bonds	61%
Accounts Payable	13%	Compensated Absences	1%
G.O. & Revenue bonds	<u>7%</u>	Net Pension	<u>9%</u>
	23%		77%

The net position section of the Statement of Net Position is the difference between the City’s assets and liabilities. The net position is classified as invested in capital assets net of related debt; restricted for capital projects net of related debt, restricted for debt and unrestricted.

*Capital Leases and Long Term Debt*

As of June 30, 2018 Clearfield City has one outstanding Capital Lease. This was tax-exempt lease purchase of light poles from Rocky Mountain Power and energy efficient upgrades to city buildings and lights.

The City has issued several bonds in previous years to assist in building and acquiring capital assets. The City has one General Obligation Bond outstanding that was originally issued in Fiscal year 1999 for \$15,000,000. This bond was partially refunded in April 2005, then again in November 2014. The 2014 refund saved the city over \$588k over the remaining six years. The purpose of this bond was to build an overpass and construct the municipal building. The outstanding balance on this bond as of June 30, 2018 was \$2,520,000. This is a decrease of \$975,000 from the prior fiscal year.

The City also has two revenue bonds outstanding. The first was a Sales Tax Revenue bond issued in 2003 to construct an aquatic center, skate park, and several utility projects. In April 2017 the bond was refunded. There is \$8,987,000 outstanding at the end of the fiscal year. The

second revenue bond outstanding was issued in July 2009 for \$2,223,000. This bond was refinanced in FY2010 and the outstanding balance as of June 30, 2018 was \$535,000.

The City issues a new bond for Mabey Place Redevelopment in the amount of \$7,277,076.

Other bonds outstanding are referenced in the Note Section pages 83 to 86.

Clearfield City's Statement of Activities: page 34.

The Statement of Activities presents normal programs and functions that the City continually provides year after year. The statement is for the year ended June 30, 2018 and covers the time of July 1, 2017 to June 30, 2018. It shows how much revenue the City generated during the year and the expenses for the same period. The presentation shows governmental programs and business-type activities. Governmental activities presented include General Government, Public Safety, Highways and Public Works, Community Services (Parks and Recreation), Community Development and interest on long-term debt. Business-type activities include all utility services provided by the City, namely water, sewer, solid waste, and storm water.

#### *General government activities summary*

Government activities are services provided to both external (citizens) and internal (city departments) customers. The charges, grants, and contributions for services are collectively labeled program revenues. Typically, program revenues do not cover the cost of providing the services. On the Total Primary Government line in the Governmental Activities column of the Statement of Activities the \$10,361,307 in parenthesis represents the cost of services that were not covered with program revenues. The general revenues of \$13,372,251 collected by Clearfield City for governmental activities was enough to offset the operating cost of services not covered with program revenues. The increase to Net Position was \$3,010,944.

The Statement of Activities is a useful report for viewing the spending of property tax, sales tax, other taxes and interest earned. For example, total expenses for Public Safety (police, dispatch, emergency services and not including the North Davis Fire District), was \$4,325,896. The revenues from charges for services related to Public Safety totals \$1,419,129 with \$111,397 in operating grants and contributions. The \$2,795,370 in parenthesis on the public safety line represents how much of the total expenses are not covered through Program Revenues and rely on general revenue. Therefore, program revenues covered only 35% of program expenses, general revenues are need to cover the rest.

The programs supported by general fund revenues (in order of how much they depend on general revenues to operate, with percentage of funding coming from general fund revenues) are:

		Amount of program <u>funded w/GF</u>	% of program funded with <u>General revenues</u>
1 <sup>st</sup>	Community Development	\$ 880,389	100%
2 <sup>nd</sup>	Interest on long-term debt	\$ 397,612	100%
3 <sup>th</sup>	General Government	\$3,882,840	72%
4 <sup>rd</sup>	Public Safety	\$2,795,370	65%
5 <sup>th</sup>	Community Services	\$3,118,564	63%
6 <sup>th</sup>	Highways	\$ -713,468	0%

Governmental Activities expenditures before contributions or transfers decreased \$1,428,617 in 2018 compared to fiscal year 2017.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Expenses:					
General Government	\$4,419,080	\$4,329,895	\$4,813,376	\$7,738,481	\$5,378,484
Public Safety	4,258,275	3,957,058	4,173,640	4,442,821	4,325,896
Highway & Streets	583,792	558,575	385,530	443,261	669,861
Community Services	4,196,122	3,872,112	4,176,153	3,075,324	4,985,491
Community Development	460,111	732,537	4,255,926	737,824	880,389
Other	828,074	720,704	474,319	412,616	397,612
 Total Expenses	 \$14,745,454	 \$14,170,881	 \$18,278,944	 \$16,850,327	 \$16,637,733

*Business-type activities summary*

The Statement of Activities also presents as Clearfield’s business-type activities Water, Sewer, Solid Waste & Recycling, and Storm Water utilities.

The business-type activities run by Clearfield City had an increase of net Operating Revenues of \$181,787 for a total of \$317,153. When interest income, impact fees, miscellaneous revenue, gain on disposal of capital assets and transfers to the general fund are included, net position decreased \$56,074 to \$56,077,337.

*Net Position*

The total net position for both governmental-type activities and business type activities are \$91,684,596. The change in net position is a useful indicator of the City’s financial position, especially if several years are available for comparison. Since FY2013, the five-year change in Net Position has decreased by \$1,559,094 for the business type activities. For the same time, Governmental activities have had an increase in Net Position of \$11,903,046.

The following two charts compares fiscal year ending June 30, 2017 (FY2017) and fiscal year ending June 30, 2018 (FY2018) of the Changes in Net position and a comparison of Net Position.

### Comparison of Changes in Net Position

	Governmental Activities		Business-type Activities	
	2017	2018	2017	2018
Revenues:				
Program Revenues:				
Charges for Services	\$ 5,281,273	\$ 4,784,474	\$ 10,332,471	\$ 10,772,044
Operating Grants & Contributions	1,553,353	1,491,952	-	-
Capital Grants and Contributions	48,727	-	-	-
General Revenues:				
Property Taxes	\$ 4,083,583	\$ 4,327,255	\$ -	\$ -
General Sales & Use Tax	4,160,190	4,486,220	-	-
Other Taxes	3,487,904	3,698,333	-	-
Investment Income	125,449	122,044	142,763	226,833
Other Revenue	11,750	134,503	6,537	3,836
Total Revenues	\$ 18,752,229	\$ 19,044,781	\$ 10,481,771	\$ 11,002,713
Expenses:				
General Government	\$ 7,738,481	\$ 5,378,484	\$ -	\$ -
Public Safety	4,442,821	4,325,896	-	-
Highway & Streets	443,261	669,861	-	-
Community Services	3,075,324	4,985,491	-	-
Community Development	737,824	880,389	-	-
Other	412,616	397,612	-	-
Utilities			10,197,105	10,454,891
Total Expenses	\$ 16,850,327	\$ 16,637,733	\$ 10,197,105	\$ 10,454,891
Excess (deficiency) before transfers	\$ 1,901,902	\$ 2,407,048	\$ 284,666	\$ 547,822
Contributions of Capital Assets	-	-	-	-
Transfers	\$ 594,644	\$ 603,896	\$ (594,644)	\$ (603,896)
Loss on sale of land held for sale				
Increase (Decrease) in Net Position	\$ 2,496,546	\$ 3,010,944	\$ (309,978)	\$ (56,074)
Net Position, beg. of year	\$ 30,329,322	\$ 32,596,315	\$ 56,443,388	\$ 56,133,411
Net Position, ending of year	\$ 32,825,868	\$ 35,607,259	\$ 56,133,410	\$ 56,077,337



## Fiscal Year Comparison of Net Position

	Governmental Activities		Business-type Activities	
	2017	2018	2017	2018
Current and Other Assets	\$ 20,799,420	\$ 23,046,621	\$ 14,602,887	\$ 13,008,914
Capital Assets (net of depr.)	34,176,238	40,839,831	43,400,080	45,617,465
Total Assets	\$ 54,975,658	\$ 63,886,452	\$ 58,002,967	\$ 58,626,379
Deferred Outflows	\$ 2,168,660	\$ 1,073,447	\$ 190,144	\$ 78,000
Total Deferred Outflows	\$ 2,168,660	\$ 1,073,447	\$ 190,144	\$ 78,000
Other Liabilities	\$ 11,775,090	\$ 4,602,690	\$ 1,353,326	\$ 1,967,277
Long Term Debt Outstanding	9,515,468	21,972,805	631,063	613,162
Total Liabilities	\$ 21,290,558	\$ 26,575,495	\$ 1,984,389	\$ 2,580,439
Deferred Inflows	\$ 3,027,892	\$ 2,777,145	\$ 75,312	\$ 46,606
Total Deferred Inflows	\$ 3,027,892	\$ 2,777,145	\$ 75,312	\$ 46,606
Invested in Capital, net of debt	\$ 17,689,896	\$ 19,596,728	\$ 42,474,017	\$ 44,988,425
Restricted	3,264,609	5,662,767	884,189	727,144
Unrestricted	11,871,363	10,347,764	12,775,204	10,361,768
Total Net Position	\$ 32,825,868	\$ 35,607,259	\$ 56,133,410	\$ 56,077,337

### Fund financial statements: pages 36 to 56.

Clearfield City records transactions in different funds. The funds are a grouping of related accounts used to maintain control over resources that are segregated for specific activities or objectives. Fund financial statements provide information on near-term inflows, outflows, and fund balances. Fund statements are budget oriented and focus on *what has happened during the fiscal year*. For example, the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances show how the fund balances changed from the beginning of the year to the end of the year.

Clearfield City, like other state and local governments, use fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

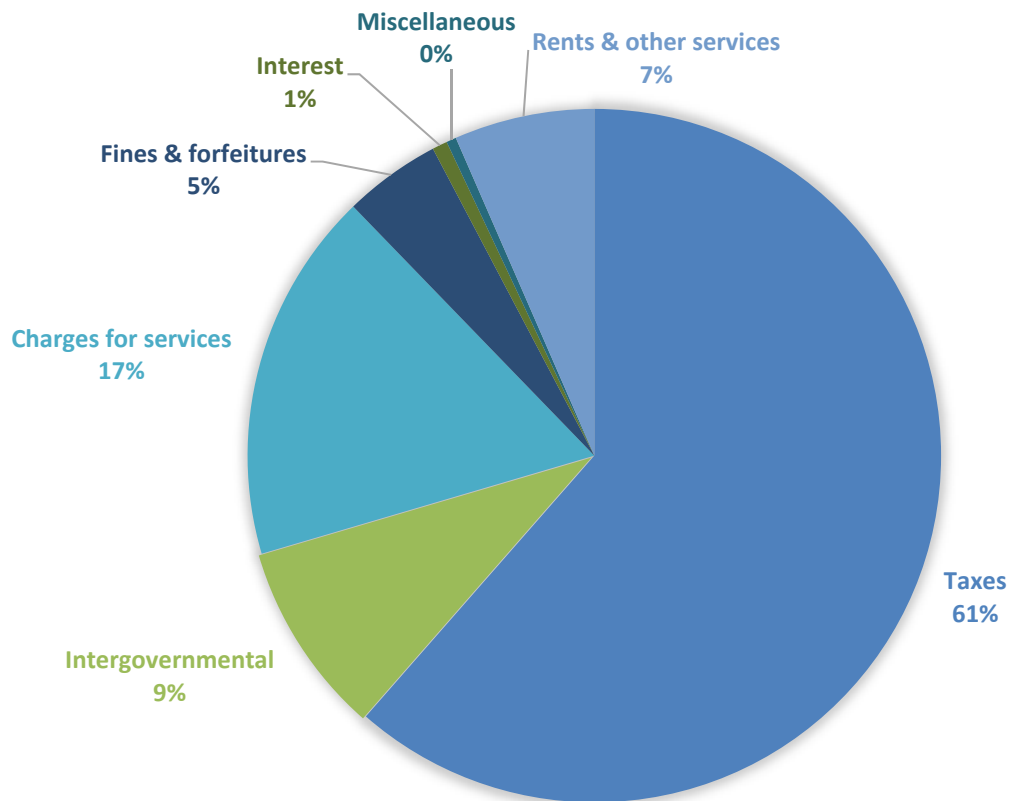
#### General Government funds summary

The General Government funds reported by the City are the General Fund, the Community Development Renewal Agency (CDRA) Fund, the Capital Project Fund and Other Governmental Funds.

General Fund: pages 43 to 48.

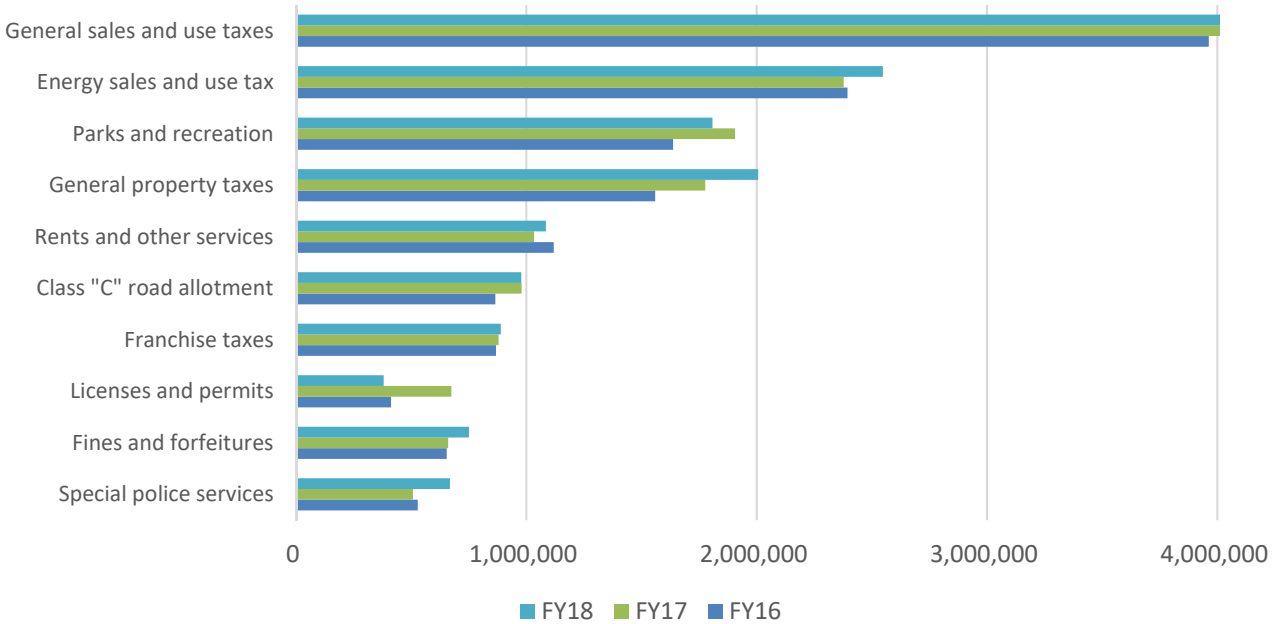
During the year, \$16,586,842 came into the General Fund before Other Financing Sources. This is an increase of \$596,676 from the previous year. The primary increase came from sales tax, and energy tax. Taxes still remain the largest source of revenue received in the General Fund with 60% of the total—\$9,554,263. For the prior year taxes represented 61% or \$10,191,811 of the total revenue source before other financing sources.

### \$16,586,842 GENERAL FUND SOURCES FY2018



The next chart compares the normal general fund revenue for fiscal year 2016-2018. On the Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds, the top ten general fund revenues increased \$1,628,829 from 2017 to 2018 (before transfers or other sources). This amount represents an 11% increase in these revenue sources. The largest decrease was in licenses and permits of \$293,874, followed by a decrease in parks and recreation of \$97,795. These decreases were more than offset by an increase in sales tax of \$326,030, property tax of \$230,164 and energy tax of \$170,324.

## General Fund Revenue FY16 through FY18

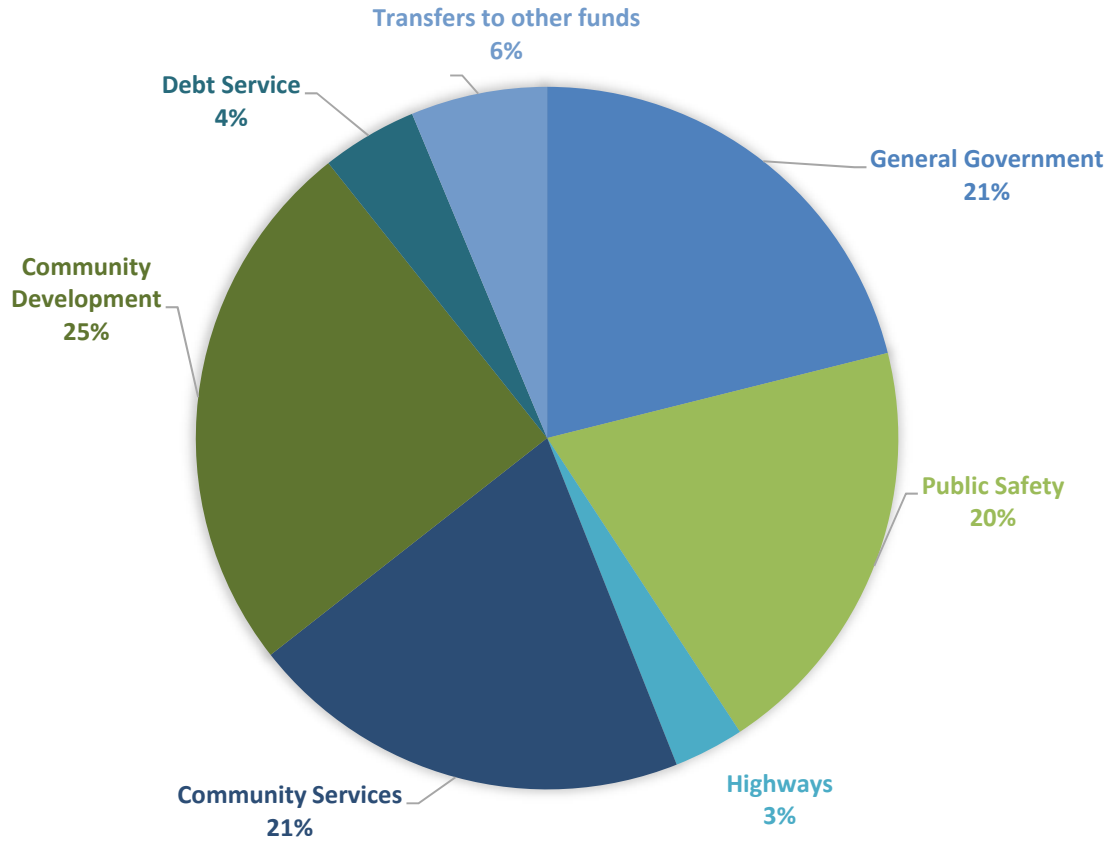


### General Fund Spending:

The General Fund’s actual operating expenditures increase by \$3,143,882 before any debt service or transfers to other funds. This represents a 19% increase from the prior year actual for the same functions. This increase in expenditures was a result of higher capital spending, including a \$4.7 million for the purchase of land.

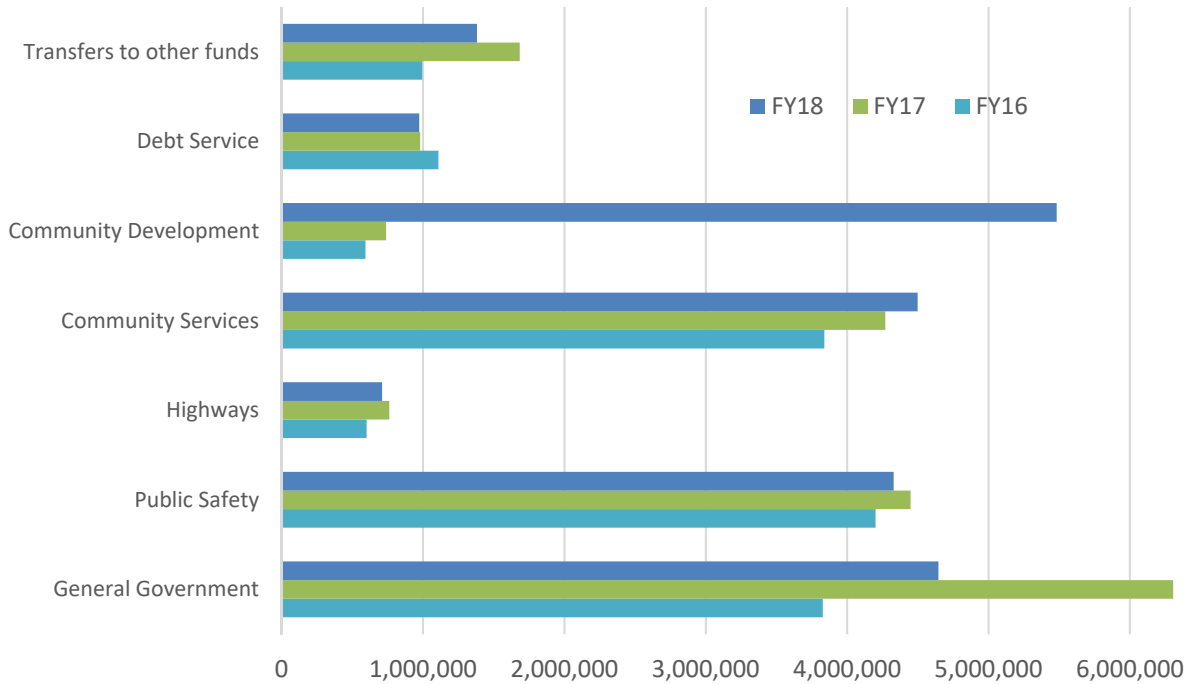
Percentage and amount of general fund spending by broad functions is presented below.

## \$22,023,766 GENERAL FUND SPENDING 2018



The next chart compares general fund spending for fiscal year 2016 through 2018 by governmental activity.

## General Fund Spending FY16 through FY18



*Community Development and Renewal Agency: page 49.*

The CDRA total revenue was \$1,598,567 in FY2018. This is an increase of \$143,301 from FY2017. Community Development and Renewal Agency (CDRA) revenue includes property tax increment monies, rent from RDA owned properties, and interest.

The Clearfield CDRA's balance sheet reflects an inter-fund loan payable of \$1,067,171. This loan is due to the Water Administration Fund. One of the largest assets is land held for resale and most of this land is collateral for the debt the redevelopment agency has incurred.

The CDRA pays a portion of the Sales Tax Revenue Bond 2003, and that bond was refunded in December 2006. The CDRA transfers their bond payment to the general fund semi-annually. The Net Change in Fund Balance for the CDRA Fund decreased \$526,616 to end the year at \$4,841,943.

*Capital Projects Fund: page 105.*

The Capital Projects Fund began the fiscal year with a fund balance of \$2,486,643. During the year, capital project spending totaled \$2,630,891. Transfers in for capital projects reached \$1,382,200. The fund balance had a net decrease of \$1,173,848 to end the fiscal year with \$1,312,795.

*Debt Service / General Obligation Bond Fund: page 106.*

The Debt Service Fund was created when the City issued the original General Obligation bond in Fiscal 1999. This fund accounts for principle and interest payments on the general obligation bond and the refunding general obligation bond. In FY2018, \$827,448 was received and \$356,850 was transferred in from enterprise funds. The property tax revenue was budgeted from a portion of the certified tax rate. In FY2018, this rate related to the G.O. debt was 0.000565.

Proprietary Funds Summary: pages 50 to 55.

Proprietary funds include the Water, Sewer, Solid Waste Collection & Recycling, and Storm Drain departments. The Utility Administration fund shows an operating loss of \$170,311, Storm shows an operating loss of \$198,847 and Sewer shows an operating loss of \$35,656. The Utility Administration fund is handled as an overhead administration for all of the utilities and the loss is allocated over the remaining utilities.

Proprietary funds are the same as the business-type activities in the government-wide financial statements. The Business-type Activities column on the Statement of Net Position has the same total assets, total liabilities, and total net position as the total column on the Statement of Net Position Proprietary Fund statement.

The statement of Revenues, Expenses, and Changes in Fund Net Position for Proprietary Funds shows a total operating revenue of \$10,775,880 for the fiscal year ending 2018. For all proprietary funds, this is an increase of \$436,872 compared to the prior year revenues before transfers. The increase is due to an increase in rates for water, sewer, and storm drain from the city, the addition of curbside recycling, and the continuing increases from the North Davis Sewer District.

The Proprietary funds also had operating expenses including depreciation totaling \$10,420,057 before non-operating revenues or expenditures; this is up \$599,271 from the prior year. After non-operating revenues and expenses, the proprietary funds had a net decrease of \$56,704.

The Water Fund has one outstanding revenue bond issued in 2007. The bond proceeds upgraded and replaced existing line infrastructure. The original issued amount was for \$3,330,000. The outstanding balance as of June 30, 2018 is \$625,000. The maturity date is May 2020.

Internal Service Funds-Fleet and Risk Management pages 113 to 115.

The purpose of the fleet fund is to centralize the vehicle repair, service and replacement and to be able to cost out those services to the departments who utilize these services. The assets in this fund are all of the street licensed vehicles the City has along with unlicensed heavy and light duty vehicles and equipment. Revenues totaled \$901,226 with Operating Expenses including depreciation to be \$851,385 for a net operating income of \$49,841. The increase to net position was \$32,986.

The Risk Management Fund was created in FY13 to help Clearfield City assign and develop costs for the city insurance. The general fund, enterprise, and fleet funds are charged to generate the revenue for this fund. In FY 2018, revenue was \$251,363. Insurance costs for the city were \$251,363.

**Notes to Financial Statements: pages 58 to 98.**

The Notes to the financial statement presents important details and schedules explaining Clearfield City's significant policies, reconciliation of the Government-wide statement to the Fund Financial Statements, stewardship, compliance, accountability and detailed notes on all funds.

Funds not presented earlier are classified as non-major governmental funds and these are presented on pages 107 to 111. Clearfield City has the following non-major funds:

Parks Capital Project Fund  
Cemetery Perpetual Care Permanent Fund

The Combining Balance Sheet Non-major Governmental Funds and the Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-major Governmental Funds are presented on pages 107 and 108. Budget and actual comparisons for the non-major funds are presented on pages 110 to 111. Budget and actual comparisons for major capital projects fund and G.O bond fund are presented on pages 105 and 106.

**Requests for information:**

It is granted that in a city the size of Clearfield the accounting for over \$122 million in assets and over \$30 million of annual revenues and other financing sources for 2018 is bound to be a complex undertaking. GASB Statement no. 34 reporting model is the government accounting industry's effort to bring to light the most relevant issues that are reported to residents, elected officials, and city employees.

The City's various departments will be happy to answer any additional questions which you may have as you review this report. In particular, the Finance Director can be reached at (801) 525-2720 Monday through Friday from 8 A.M to 5 P.M. MST.

## **BASIC FINANCIAL STATEMENTS**



# Clearfield City Corporation

## Statement of Net Position

June 30, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>North Davis Fire District</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 13,811,491	9,545,805	23,357,296	2,198,218
Accounts receivable (net)	-	1,054,642	1,054,642	231,800
Property, sales, & franchise taxes receivable	3,663,194	-	3,663,194	2,693,822
Other receivables	465,877	-	465,877	-
Prepaid items	420,642	614,152	1,034,794	26,984
Internal balances	(1,067,171)	1,067,171	-	-
Restricted cash	5,501,404	727,144	6,228,548	-
Land held for sale	246,473	-	246,473	-
Net pension asset	4,711	-	4,711	170,393
Capital assets (net of accumulated depreciation):				
Land	10,414,313	1,404,577	11,818,890	200,110
Water stock & rights	25,200	9,162	34,362	-
Buildings	14,928,834	1,440,925	16,369,759	2,267,860
Improvements	3,291,009	166,829	3,457,838	-
Machinery & equipment	1,869,566	474,670	2,344,236	1,232,598
Infrastructure	7,790,865	36,130,697	43,921,562	-
Construction in process	2,520,044	5,990,605	8,510,649	-
<b>Total assets</b>	<b>63,886,452</b>	<b>58,626,379</b>	<b>122,512,831</b>	<b>9,021,785</b>
<b><u>Deferred Outflows of Resources</u></b>				
Deferred outflows relating to pensions	693,236	78,000	771,236	422,864
Deferred charge on refunding	380,211	-	380,211	-
<b>Total deferred outflows of resources</b>	<b>\$ 1,073,447</b>	<b>78,000</b>	<b>1,151,447</b>	<b>422,864</b>

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

**Clearfield City Corporation**  
**Statement of Net Position - Continued**  
**June 30, 2018**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>North Davis Fire District</u>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 1,990,408	1,652,293	3,642,701	168,104
Accrued interest payable	162,332	4,167	166,499	32,705
Compensated absences - current	289,124	5,814	294,938	-
Capital lease payable - current	162,826	-	162,826	115,284
General obligation bonds payable - current	1,010,000	-	1,010,000	-
Revenue bonds payable - current	988,000	305,000	1,293,000	170,000
Compensated absences - noncurrent	195,110	10,797	205,907	189,513
Capital lease payable - noncurrent	2,038,186	-	2,038,186	556,324
General obligation bonds payable - noncurrent	1,624,166	-	1,624,166	-
Revenue bonds payable - noncurrent	15,800,136	324,040	16,124,176	1,600,000
Net pension liability	2,315,207	278,325	2,593,532	26,845
	<u>26,575,495</u>	<u>2,580,436</u>	<u>29,155,931</u>	<u>2,858,775</u>
<b><u>Deferred Inflows of Resources</u></b>				
Deferred inflows relating to pensions	390,161	46,606	436,767	443,502
Deferred revenue- property taxes	2,386,984	-	2,386,984	2,435,931
Total deferred inflows of resources	<u>2,777,145</u>	<u>46,606</u>	<u>2,823,751</u>	<u>2,879,433</u>
<b><u>Net Position</u></b>				
Net investment in capital assets	19,596,728	44,988,425	64,585,153	1,258,960
Restricted for:				
Debt service	3,738,230	82,500	3,820,730	57,839
Perpetual care - expendable	37,873	-	37,873	-
Perpetual care - nonexpendable	184,668	-	184,668	-
Capital projects	863,193	644,644	1,507,837	225,346
Parks, art, recreation, aquatics and trails	387,522	-	387,522	-
E-911	204,808	-	204,808	-
Community redevelopment	246,473	-	246,473	-
Unrestricted	<u>10,347,764</u>	<u>10,361,768</u>	<u>20,709,532</u>	<u>2,164,296</u>
Total net position	<u>\$ 35,607,259</u>	<u>56,077,337</u>	<u>91,684,596</u>	<u>3,706,441</u>

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

# Clearfield City Corporation

## Statement of Activities

For the Year Ended June 30, 2018

<b>Function/Programs</b>	Program Revenues				Net (Expenses) Revenues & Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	North Davis Fire District
<b>Primary government</b>								
Governmental activities:								
General government	\$ 5,378,484	1,486,833	8,811	-	\$ (3,882,840)		(3,882,840)	
Public safety	4,325,896	1,419,129	111,397	-	(2,795,370)		(2,795,370)	
Highways and public improvements	669,861	53,484	1,329,845	-	713,468		713,468	
Community services	4,985,491	1,825,028	41,899	-	(3,118,564)		(3,118,564)	
Community development	880,389	-	-	-	(880,389)		(880,389)	
Interest on long-term debt	397,612	-	-	-	(397,612)		(397,612)	
Total governmental activities	16,637,733	4,784,474	1,491,952	-	(10,361,307)		(10,361,307)	
Business-type activities:								
Public utility	10,454,891	10,772,044	-	-	-	317,153	317,153	
Total business-type activities	10,454,891	10,772,044	-	-	-	317,153	317,153	
Total primary government	\$ 27,092,624	15,556,518	1,491,952	-	(10,361,307)	317,153	(10,044,154)	
<b>Component unit</b>								
North Davis Fire District	\$ 4,130,059	1,272,689	-	-				(2,857,370)
Total component unit	\$ 4,130,059	1,272,689	-	-				(2,857,370)
General revenues:								
Property taxes					4,327,255	-	4,327,255	2,841,138
General sales and use tax					4,486,220	-	4,486,220	-
Franchise tax					889,489	-	889,489	-
Energy use tax					2,548,154	-	2,548,154	-
Parks and recreation tax					252,762	-	252,762	-
Transient room tax					7,928	-	7,928	-
Interest earnings					122,044	226,833	348,877	39,141
Miscellaneous					134,503	3,836	138,339	6,998
Transfers					603,896	(603,896)	-	-
Nonemployer contributions relating to pensions					-	-	-	5,950
Loss on sale of land held for sale					-	-	-	-
Contribution of capital assets					-	-	-	-
Total general revenues					13,372,251	(373,227)	12,999,024	2,893,227
Change in net position					3,010,944	(56,074)	2,954,870	35,857
Net position - beginning, as restated					32,596,315	56,133,411	88,729,726	3,670,584
Net position - ending					\$ 35,607,259	56,077,337	91,684,596	3,706,441

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

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**Clearfield City Corporation**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	<u>Special Revenue</u>					Total Governmental Funds
	General Fund	Community Development & Renewal Agency Fund	Capital Projects	Debt Service G.O. Bond Fund	Other Governmental Funds	
<b><u>Assets</u></b>						
Cash and cash equivalents	\$ 5,841,286	5,840,855	2,110,054	-	19,296	13,811,491
Property, sales, and franchise taxes receivable	2,935,842	-	-	727,352	-	3,663,194
Other receivables	465,877	-	-	-	-	465,877
Prepaid items	167,162	-	-	-	-	167,162
Due from other funds	124,349	-	-	-	-	124,349
Restricted cash and cash equivalents	4,227,806	-	-	187,864	1,085,734	5,501,404
Land held for sale	-	246,473	-	-	-	246,473
Total assets	<u>13,762,322</u>	<u>6,087,328</u>	<u>2,110,054</u>	<u>915,216</u>	<u>1,105,030</u>	<u>23,979,950</u>
<b><u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u></b>						
<b>Liabilities</b>						
Accounts payable	257,033	178,214	797,259	-	1,967	1,234,473
Accrued liabilities	719,600	-	-	-	-	719,600
Interfund loans payable	-	1,067,171	-	-	-	1,067,171
Total liabilities	<u>976,633</u>	<u>1,245,385</u>	<u>797,259</u>	<u>-</u>	<u>1,967</u>	<u>3,021,244</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue- property taxes	1,659,632	-	-	727,352	-	2,386,984
Total deferred inflows of resources	<u>\$ 1,659,632</u>	<u>-</u>	<u>-</u>	<u>727,352</u>	<u>-</u>	<u>2,386,984</u>

The accompanying notes are an integral part of the financial statements.

**Clearfield City Corporation**  
**Balance Sheet - Continued**  
**Governmental Funds**  
**June 30, 2018**

	<u>Special Revenue</u>					Total Governmental Funds
	General Fund	Community Development & Renewal Agency Fund	Capital Projects	Debt Service G.O. Bond Fund	Other Governmental Funds	
Fund Balances						
Nonspendable:						
Prepaid items	\$ 167,162	-	-	-	-	167,162
Restricted for:						
Debt service	3,550,366	-	-	187,864	-	3,738,230
Capital projects	-	-	-	-	863,193	863,193
Community development	-	246,473	-	-	-	246,473
Cemetery perpetual care	-	-	-	-	222,541	222,541
Parks, art, recreation, aquatics, and trails	387,522	-	-	-	-	387,522
E-911	204,808	-	-	-	-	204,808
Committed	161,807	-	504,072	-	-	665,879
Assigned, reported in:						
General fund	28,024	-	-	-	-	28,024
Capital projects - improvements	-	-	808,723	-	17,329	826,052
Special revenue - community development	-	4,595,470	-	-	-	4,595,470
Unassigned, reported in:						
General fund	6,626,368	-	-	-	-	6,626,368
Total fund balances	<u>11,126,057</u>	<u>4,841,943</u>	<u>1,312,795</u>	<u>187,864</u>	<u>1,103,063</u>	<u>18,571,722</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,762,322</u>	<u>6,087,328</u>	<u>2,110,054</u>	<u>915,216</u>	<u>1,105,030</u>	<u>23,979,950</u>

The accompanying notes are an integral part of the financial statements.

**Clearfield City Corporation**  
**Reconciliation of the Balance Sheet of Governmental**  
**Funds to the Statement of Net Position**  
**June 30, 2018**

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Total fund balances - governmental fund types:	\$ 18,571,722
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	39,477,567
Internal service funds are used by management to charge the costs of fleet management to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	1,418,424
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Also, issuance costs, premiums, and discounts are not currently expensed but amortized over the life of the loan.	(23,860,454)
Net position of governmental activities	<u><u>\$ 35,607,259</u></u>

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The accompanying notes are an integral part of the financial statements.

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**Clearfield City Corporation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

	<u>Special Revenue</u>					Total Governmental Funds
	General Fund	Community Development & Renewal Agency Fund	Capital Projects	Debt Service G.O. Bond Fund	Other Governmental Funds	
<b><u>Revenues</u></b>						
Taxes	\$ 10,191,811	1,492,549	-	827,448	-	12,511,808
Rents and other services	1,084,825	6,200	-	-	-	1,091,025
Intergovernmental	1,491,952	-	-	-	15,300	1,507,252
Charges for services	2,873,823	-	-	-	-	2,873,823
Impact fees	-	-	-	-	53,484	53,484
Fines and forfeitures	750,842	-	-	-	-	750,842
Interest and investment income	117,030	99,818	31,954	-	15,870	264,672
Unrealized gains/ losses	(119,409)	-	-	-	-	(119,409)
Miscellaneous revenue	76,559	-	42,889	-	-	119,448
Total revenues	<u>16,467,433</u>	<u>1,598,567</u>	<u>74,843</u>	<u>827,448</u>	<u>84,654</u>	<u>19,052,945</u>
<b><u>Expenditures</u></b>						
Current						
General government	4,646,405	-	-	-	39,996	4,686,401
Public safety	4,329,030	-	-	-	-	4,329,030
Highways and public improvements	435,129	-	-	-	-	435,129
Community services	4,499,369	-	-	-	-	4,499,369
Community development	5,482,467	178,212	-	-	-	5,660,679
Capital outlay	-	985,525	2,630,891	-	-	3,616,416
Debt service						
Principal retirement	954,000	-	-	975,000	-	1,929,000
Interest and fiscal charges	249,663	22,776	-	105,277	-	377,716
Cost of issuance	45,500	-	-	-	-	45,500
Total expenditures	<u>\$ 20,641,563</u>	<u>1,186,513</u>	<u>2,630,891</u>	<u>1,080,277</u>	<u>39,996</u>	<u>25,579,240</u>

**Clearfield City Corporation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds - Continued**  
**For the Year Ended June 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Community Development &amp; Renewal Agency Fund</u>	<u>Capital Projects</u>	<u>Debt Service G.O. Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Excess (deficiency) revenues over (under) expenditures	\$ (4,174,130)	412,054	(2,556,048)	(252,829)	44,658	(6,526,295)
<b><u>Other Financing Sources (Uses)</u></b>						
Bond issuance	7,277,076	-	-	-	-	7,277,076
Transfers in	1,185,717	-	1,382,200	356,850	-	2,924,767
Transfers (out)	(1,382,203)	(938,670)	-	-	-	(2,320,873)
Total other financing sources and (uses)	<u>7,080,590</u>	<u>(938,670)</u>	<u>1,382,200</u>	<u>356,850</u>	<u>-</u>	<u>7,880,970</u>
Net change in fund balances	2,906,460	(526,616)	(1,173,848)	104,021	44,658	1,354,675
Fund balances - beginning of year	8,219,597	5,368,559	2,486,643	83,843	1,058,405	17,217,047
Fund balances - end of year	<u>\$ 11,126,057</u>	<u>4,841,943</u>	<u>1,312,795</u>	<u>187,864</u>	<u>1,103,063</u>	<u>18,571,722</u>

The accompanying notes are an integral part of the financial statements.

**Clearfield City Corporation**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**In Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2018**

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

Net changes in fund balances - total governmental funds \$ 1,354,675

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 6,534,579

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued; whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (5,198,463)

Internal service funds are used by management to charge the costs of fleet management and insurance costs to individual funds. The net revenue of certain activities of the internal service funds are reported with governmental activities. 338,715

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (18,562)

Change in net position of governmental activities \$ 3,010,944

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The accompanying notes are an integral part of the financial statements.

**Clearfield City Corporation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		With Final Budget
<b><u>Revenues</u></b>				
Taxes				
General property taxes	\$ 1,800,000	1,800,000	2,007,258	207,258
General sales and use taxes	4,100,000	4,100,000	4,486,220	386,220
Franchise taxes	875,000	875,000	889,489	14,489
Energy sales and use tax	2,350,000	2,350,000	2,548,154	198,154
Parks and recreation tax	205,000	205,000	252,762	47,762
Transient room tax	7,000	7,000	7,928	928
	<u>9,337,000</u>	<u>9,337,000</u>	<u>10,191,811</u>	<u>854,811</u>
Intergovernmental				
Class "C" road allotment	910,000	910,000	977,906	67,906
State liquor allotment	32,000	32,000	31,515	(485)
County transportation	315,000	315,000	351,939	36,939
Other grants	126,048	126,048	88,693	(37,355)
Federal grants	196,000	196,000	41,899	(154,101)
	<u>1,579,048</u>	<u>1,579,048</u>	<u>1,491,952</u>	<u>(87,096)</u>
Charges for services				
Special police services	523,500	523,500	668,287	144,787
Licenses and permits	430,200	430,200	380,508	(49,692)
Parks and recreation	1,840,500	1,840,500	1,808,374	(32,126)
Cemetery lots and services	11,000	11,000	16,654	5,654
	<u>2,805,200</u>	<u>2,805,200</u>	<u>2,873,823</u>	<u>68,623</u>
Fines and forfeitures	<u>783,500</u>	<u>783,500</u>	<u>750,842</u>	<u>(32,658)</u>
Interest and investment income	<u>45,000</u>	<u>45,000</u>	<u>117,030</u>	<u>72,030</u>
Miscellaneous	<u>15,000</u>	<u>55,000</u>	<u>76,559</u>	<u>21,559</u>
Rents and other services	<u>1,035,597</u>	<u>1,035,597</u>	<u>1,084,825</u>	<u>49,228</u>
<b><u>Other Financing Sources</u></b>				
Unrealized gains/ losses	-	-	(119,409)	(119,409)
Bond issuance	-	7,277,076	7,277,076	-
Transfers in	<u>1,196,452</u>	<u>1,196,452</u>	<u>1,185,717</u>	<u>(10,735)</u>
Total other financing sources	<u>1,196,452</u>	<u>8,473,528</u>	<u>8,343,384</u>	<u>(130,144)</u>
Total revenues and other financing sources	<u>\$ 16,796,797</u>	<u>24,113,873</u>	<u>24,930,226</u>	<u>816,353</u>

The accompanying notes are an integral part of the financial statements.

**Clearfield City Corporation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - General Fund - Continued**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b><u>Expenditures</u></b>				
<b><u>General government</u></b>				
<b>Legislative</b>				
Salaries and wages	\$ 71,346	77,846	77,699	147
Employee benefits	83,333	83,948	75,540	8,408
Council and mayor	49,690	54,690	44,693	9,997
Materials, supplies, and services	56,991	74,705	44,589	30,116
	<u>261,360</u>	<u>291,189</u>	<u>242,521</u>	<u>48,668</u>
<b>Judicial</b>				
Salaries and wages	253,483	253,483	251,662	1,821
Employee benefits	125,520	125,520	124,694	826
Professional services	76,024	76,024	65,218	10,806
Materials, supplies, and services	14,445	14,445	14,177	268
	<u>469,472</u>	<u>469,472</u>	<u>455,751</u>	<u>13,721</u>
<b>Executive</b>				
Salaries and wages	567,113	567,113	585,677	(18,564)
Employee benefits	250,689	250,689	266,276	(15,587)
Professional services	17,757	17,757	6,566	11,191
Materials, supplies, and services	100,908	100,908	62,902	38,006
	<u>936,467</u>	<u>936,467</u>	<u>921,421</u>	<u>15,046</u>
<b>Administrative services</b>				
Salaries and wages	803,246	803,246	735,792	67,454
Employee benefits	385,357	385,357	326,833	58,524
Professional services	95,285	115,260	108,479	6,781
Materials, supplies, and services	369,345	428,465	309,674	118,791
Capital outlay	187,000	195,000	176,960	18,040
	<u>1,840,233</u>	<u>1,927,328</u>	<u>1,657,738</u>	<u>269,590</u>
<b>Non-departmental</b>				
Materials, supplies, and services	802,325	940,194	920,198	19,996
Utilities	490,000	490,000	433,327	56,673
Telephone	24,000	24,000	-	24,000
	<u>\$ 1,316,325</u>	<u>1,454,194</u>	<u>1,353,525</u>	<u>100,669</u>

The accompanying notes are an integral part of the financial statements.

**Clearfield City Corporation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - General Fund - Continued**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b><u>Expenditures - continued</u></b>				
Elections				
Materials, supplies, and services	\$ 36,600	36,600	15,449	21,151
	<u>36,600</u>	<u>36,600</u>	<u>15,449</u>	<u>21,151</u>
Total general government	<u>4,860,457</u>	<u>5,115,250</u>	<u>4,646,405</u>	<u>468,845</u>
<b><u>Public safety</u></b>				
Police				
Salaries and wages	2,600,626	2,600,626	2,457,487	143,139
Employee benefits	1,387,192	1,387,192	1,258,149	129,043
Professional services	177,617	177,617	187,675	(10,058)
Materials, supplies, and services	525,653	525,653	338,218	187,435
Capital outlay	20,000	20,000	5,156	14,844
	<u>4,711,088</u>	<u>4,711,088</u>	<u>4,246,685</u>	<u>464,403</u>
Start grant				
Salaries and wages	75,668	75,668	50,162	25,506
Employee benefits	42,679	42,679	26,038	16,641
Materials, supplies, and services	18,087	18,087	6,145	11,942
	<u>136,434</u>	<u>136,434</u>	<u>82,345</u>	<u>54,089</u>
Total public safety	<u>\$ 4,847,522</u>	<u>4,847,522</u>	<u>4,329,030</u>	<u>518,492</u>

The accompanying notes are an integral part of the financial statements.

**Clearfield City Corporation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - General Fund - Continued**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b><u>Expenditures - continued</u></b>				
<b><u>Highways and public improvements</u></b>				
Streets and highways				
Salaries and wages	\$ 128,465	128,465	128,093	372
Employee benefits	67,430	67,430	67,285	145
Professional services	113,330	113,330	93,511	19,819
Materials, supplies, and services	196,146	196,146	139,440	56,706
Principal payments	255,000	255,000	255,000	-
Interest payments	28,163	28,163	21,213	6,950
Capital outlay	6,800	6,800	6,800	-
Total highways and public improvements	<u>795,334</u>	<u>795,334</u>	<u>711,342</u>	<u>83,992</u>
<b><u>Community services</u></b>				
Salaries and wages	1,959,672	1,959,672	1,976,874	(17,202)
Employee benefits	543,598	543,598	564,362	(20,764)
Professional services	402,708	408,708	423,454	(14,746)
Materials, supplies, and services	1,454,321	1,454,321	1,209,565	244,756
Capital outlay	534,000	554,000	325,114	228,886
Total community services	<u>\$ 4,894,299</u>	<u>4,920,299</u>	<u>4,499,369</u>	<u>420,930</u>

The accompanying notes are an integral part of the financial statements.

**Clearfield City Corporation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - General Fund - Continued**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b><u>Expenditures - continued</u></b>				
<u>Community development</u>				
Administration				
Employee benefits	\$ -	-	515	(515)
Professional services	67,460	335,460	169,715	165,745
Materials, supplies, and services	126,747	151,419	133,448	17,971
Capital outlay	-	4,779,828	4,779,828	-
	<u>194,207</u>	<u>5,266,707</u>	<u>5,083,506</u>	<u>183,201</u>
CDBG urban redevelopment				
Salaries and wages	13,536	13,536	13,813	(277)
Employee benefits	7,366	7,366	7,569	(203)
Materials, supplies, and services	177,786	177,786	28,986	148,800
	<u>198,688</u>	<u>198,688</u>	<u>50,368</u>	<u>148,320</u>
Building development services				
Salaries and wages	202,291	202,291	211,090	(8,799)
Employee benefits	95,431	95,431	86,916	8,515
Professional services	139,740	139,740	36,766	102,974
Materials, supplies, and services	17,307	17,307	13,821	3,486
	<u>454,769</u>	<u>454,769</u>	<u>348,593</u>	<u>106,176</u>
Total community development	<u>847,664</u>	<u>5,920,164</u>	<u>5,482,467</u>	<u>437,697</u>
<u>Debt service</u>				
Principal payments	699,000	699,000	699,000	-
Interest payments	229,551	229,551	228,450	1,101
Bond issuance costs	-	45,500	45,500	-
Total debt service	<u>928,551</u>	<u>974,051</u>	<u>972,950</u>	<u>1,101</u>
Total expenditures	<u>\$ 17,173,827</u>	<u>22,572,620</u>	<u>20,641,563</u>	<u>1,931,057</u>

The accompanying notes are an integral part of the financial statements.



**Clearfield City Corporation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - General Fund - Continued**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b><u>Other Financing Uses</u></b>				
Transfers out	1,382,200	1,382,200	1,382,203	(3)
Total other financing uses	1,382,200	1,382,200	1,382,203	(3)
Net change in fund balances	(1,759,230)	159,053	2,906,460	2,747,407
Fund balances, beginning of year	8,219,597	8,219,597	8,219,597	-
Fund balances, end of year	<u>\$ 6,460,367</u>	<u>8,378,650</u>	<u>11,126,057</u>	<u>2,747,407</u>

The accompanying notes are an integral part of the financial statements.

**Clearfield City Corporation**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Community Development & Renewal Agency Fund**  
**For the Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<b><u>Revenues</u></b>				
Taxes	\$ 1,856,201	1,856,201	1,492,549	(363,652)
Rents and other services	5,000	5,000	6,200	1,200
Interest	18,000	18,000	99,818	81,818
Total revenues	<u>1,879,201</u>	<u>1,879,201</u>	<u>1,598,567</u>	<u>(280,634)</u>
<b><u>Expenditures</u></b>				
Current operating				
General government	50,332	50,332	-	50,332
Community development	0	180,000	178,212	1,788
Capital outlay	50,000	1,050,525	985,525	65,000
Interest payments	8,500	22,500	22,776	(276)
Total expenditures	<u>108,832</u>	<u>1,303,357</u>	<u>1,186,513</u>	<u>116,844</u>
Excess of revenue over (under) expenditures	<u>1,770,369</u>	<u>575,844</u>	<u>412,054</u>	<u>(163,790)</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Operating transfers (out)	<u>(940,303)</u>	<u>(940,303)</u>	<u>(938,670)</u>	<u>1,633</u>
Total other financing sources (uses)	<u>(940,303)</u>	<u>(940,303)</u>	<u>(938,670)</u>	<u>1,633</u>
Net change in fund balances	830,066	(364,459)	(526,616)	(162,157)
Fund balances, beginning of year	<u>5,368,559</u>	<u>5,368,559</u>	<u>5,368,559</u>	<u>-</u>
Fund balances, end of year	<u>\$ 6,198,625</u>	<u>5,004,100</u>	<u>4,841,943</u>	<u>(162,157)</u>

The accompanying notes are an integral part of the financial statements.

**Clearfield City Corporation**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2018**

	Business-Type Activities - Enterprise						Governmental
	Public Utility Administration	Water Utility	Sewer Utility	Waste Collection	Storm Drain	Total	Internal Service Funds
<b>Assets</b>							
Current assets							
Cash and cash equivalents	\$ 23,889	3,408,052	1,975,194	1,046,455	3,092,215	9,545,805	-
Accounts receivable (net)	21,996	376,903	422,122	137,798	95,823	1,054,642	-
Prepaid items	1,878	604,785	4,658	-	2,831	614,152	253,480
Restricted cash and cash equivalents	-	555,508	28,053	-	143,583	727,144	-
Interfund loan - CDRA	1,067,171	-	-	-	-	1,067,171	-
Total current assets	<u>1,114,934</u>	<u>4,945,248</u>	<u>2,430,027</u>	<u>1,184,253</u>	<u>3,334,452</u>	<u>13,008,914</u>	<u>253,480</u>
Noncurrent assets							
Water stock and rights	-	9,162	-	-	-	9,162	-
Land, equipment, buildings, and improvements	-	34,860,529	21,709,755	196,180	26,532,201	83,298,665	4,029,209
Less: accumulated depreciation	-	(18,538,029)	(11,621,571)	(3,924)	(13,517,443)	(43,680,967)	(2,666,945)
Construction in process	-	2,320,327	1,578,606	837,596	1,254,076	5,990,605	-
Total noncurrent assets	<u>-</u>	<u>18,651,989</u>	<u>11,666,790</u>	<u>1,029,852</u>	<u>14,268,834</u>	<u>45,617,465</u>	<u>1,362,264</u>
Total assets	<u>\$ 1,114,934</u>	<u>23,597,237</u>	<u>14,096,817</u>	<u>2,214,105</u>	<u>17,603,286</u>	<u>58,626,379</u>	<u>1,615,744</u>
<b>Deferred Outflows of Resources</b>							
Deferred outflows relating to pensions							
	12,472	32,225	18,709	3,827	10,767	78,000	16,806
Total deferred outflows of resources	<u>\$ 12,472</u>	<u>32,225</u>	<u>18,709</u>	<u>3,827</u>	<u>10,767</u>	<u>78,000</u>	<u>16,806</u>
<b>Liabilities</b>							
Current liabilities							
Accounts payable and accrued liabilities	\$ 7,823	403,101	472,932	255,477	359,622	1,498,955	36,335
Customer deposits	157,505	-	-	-	-	157,505	-
Due to other funds	-	-	-	-	-	-	124,349
Compensated absences - current	-	728	4,665	-	421	5,814	-
Revenue bond payable - current	-	305,000	-	-	-	305,000	-
Total current liabilities	<u>\$ 165,328</u>	<u>708,829</u>	<u>477,597</u>	<u>255,477</u>	<u>360,043</u>	<u>1,967,274</u>	<u>160,684</u>

The accompanying notes are an integral part of the financial statements.

**Clearfield City Corporation**  
**Statement of Net Position - Continued**  
**Proprietary Funds**  
**June 30, 2018**

	Business-Type Activities - Enterprise					Total	Governmental Activities -
	Public Utility Administration	Water Utility	Sewer Utility	Waste Collection	Storm Drain		Internal Service Funds
<b><u>Liabilities - continued</u></b>							
Non current liabilities							
Compensated							
absences - noncurrent	\$ -	1,352	8,663	-	782	10,797	-
Revenue bond payable							
- noncurrent	-	324,040	-	-	-	324,040	-
Net pension liability	33,228	110,359	77,794	14,447	42,497	278,325	45,236
Total noncurrent liabilities	33,228	435,751	86,457	14,447	43,279	613,162	45,236
Total liabilities	\$ 198,556	1,144,580	564,054	269,924	403,322	2,580,436	205,920
<b><u>Deferred Inflows of Resources</u></b>							
Deferred inflows relating to							
pensions	5,809	18,925	12,562	2,486	6,824	46,606	8,206
Total deferred inflows of resources	\$ 5,809	18,925	12,562	2,486	6,824	46,606	8,206
<b><u>Net position</u></b>							
Net investment in capital assets	\$ -	18,022,949	11,666,790	1,029,852	14,268,834	44,988,425	1,362,264
Restricted							
Impact fees	-	473,008	28,053	-	143,583	644,644	-
Debt service	-	82,500	-	-	-	82,500	-
Unrestricted	923,041	3,887,500	1,844,067	915,670	2,791,490	10,361,768	56,160
Total net position	\$ 923,041	22,465,957	13,538,910	1,945,522	17,203,907	56,077,337	1,418,424

The accompanying notes are an integral part of the financial statements.

**Clearfield City Corporation**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2018**

	Business-Type Activities - Enterprise					Total	Governmental Activities -
	Public Utility Administration	Water Utility	Sewer Utility	Waste Collection	Storm Drain		Internal Service Funds
<b><u>Operating Revenues</u></b>							
Charges for services	\$ 171,317	3,642,991	4,471,947	1,413,770	1,021,895	10,721,920	1,137,532
Impact fees	-	24,390	24,002	-	1,732	50,124	-
Miscellaneous	-	-	1,311	-	2,525	3,836	15,057
Total operating revenues	171,317	3,667,381	4,497,260	1,413,770	1,026,152	10,775,880	1,152,589
<b><u>Operating Expenses</u></b>							
Salaries and wages	94,675	217,134	247,876	21,805	157,264	738,754	77,750
Employee benefits	46,114	126,396	124,500	8,201	80,572	385,783	39,899
Maintenance, supplies, and contracts	200,839	1,908,503	3,585,704	1,138,820	303,594	7,137,460	679,370
Depreciation and amortization	-	895,731	574,836	3,924	683,569	2,158,060	305,729
Total operating expenses	341,628	3,147,764	4,532,916	1,172,750	1,224,999	10,420,057	1,102,748
Net operating income	\$ (170,311)	519,617	(35,656)	241,020	(198,847)	355,823	49,841

The accompanying notes are an integral part of the financial statements.

**Clearfield City Corporation**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position - Continued**  
**Proprietary Funds**  
**For the Year Ended June 30, 2018**

	Business-Type Activities - Enterprise					Total	Governmental Activities -
	Public Utility Administration	Water Utility	Sewer Utility	Waste Collection	Storm Drain		Internal Service Funds
<b><u>Nonoperating Revenues (Expenses)</u></b>							
Gain/(loss) on disposal of capital assets	\$ -	-	-	-	-	-	(16,855)
Interest revenue	22,776	85,324	39,762	20,624	58,347	226,833	-
Interest expense	-	(34,834)	-	-	-	(34,834)	-
Total nonoperating revenues (expenses)	22,776	50,490	39,762	20,624	58,347	191,999	(16,855)
Income (loss) before contributions and transfers	(147,535)	570,107	4,106	261,644	(140,500)	547,822	32,986
Transfers in	148,978	-	-	-	-	148,978	-
Transfers (out)	-	(365,456)	(234,225)	(86,528)	(66,665)	(752,874)	-
Change in net position	1,443	204,651	(230,119)	175,116	(207,165)	(56,074)	32,986
Total net position - beginning	921,598	22,261,306	13,769,029	1,770,406	17,411,072	56,133,411	1,385,438
Total net position - ending	\$ 923,041	22,465,957	13,538,910	1,945,522	17,203,907	56,077,337	1,418,424

The accompanying notes are an integral part of the financial statements.

**Clearfield City Corporation**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2018**

	Business-Type Activities - Enterprise Funds					Total	Governmental
	Public Utility Administration	Water Utility	Sewer Utility	Waste Collection	Storm Drain		Internal Service Funds
<b><u>Cash flows from operating activities</u></b>							
Receipts from customers	\$ 186,025	3,611,579	4,419,475	1,411,611	1,023,553	10,652,243	1,152,589
Payments to suppliers	(202,468)	(1,720,912)	(3,377,199)	(932,193)	44,648	(6,188,124)	(662,721)
Payments to employees	(146,601)	(345,304)	(373,244)	(30,197)	(248,069)	(1,143,415)	(118,330)
Net cash provided (used) by operating activities	(163,044)	1,545,363	669,032	449,221	820,132	3,320,704	371,538
<b><u>Cash flows from noncapital financing activities</u></b>							
Advances (to) from other funds	(22,775)	-	-	-	-	(22,775)	3,883
Transfers from other funds	148,978	-	-	-	-	148,978	-
Transfers to other funds	-	(365,456)	(234,225)	(86,528)	(66,665)	(752,874)	-
Net cash provided (used) by noncapital financing activities	126,203	(365,456)	(234,225)	(86,528)	(66,665)	(626,671)	3,883
<b><u>Cash flows from capital and related financing activities</u></b>							
Purchases of capital assets	-	(1,703,092)	(782,880)	(763,698)	(1,127,467)	(4,377,137)	(375,421)
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Principal paid on capital debt	-	(295,000)	-	-	-	(295,000)	-
Interest paid on capital debt	-	(34,834)	-	-	-	(34,834)	-
Net cash provided (used) by capital and related financing activities	-	(2,032,926)	(782,880)	(763,698)	(1,127,467)	(4,706,971)	(375,421)
<b><u>Cash flows from investing activities</u></b>							
Interest and dividends received	22,776	85,324	39,762	20,624	58,347	226,833	-
Net cash provided (used) by investing activities	22,776	85,324	39,762	20,624	58,347	226,833	-
Net increase (decrease) in cash and cash equivalents	(14,065)	(767,695)	(308,311)	(380,381)	(315,653)	(1,786,105)	-
Cash and cash equivalents - beginning	37,954	4,731,255	2,311,558	1,426,835	3,551,451	12,059,053	-
Cash and cash equivalents - ending	\$ 23,889	3,963,560	2,003,247	1,046,454	3,235,798	10,272,948	-

The accompanying notes are an integral part of the financial statements.

**Clearfield City Corporation**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2018**

	Business-Type Activities - Enterprise Funds					Total	Governmental
	Public Utility Administration	Water Utility	Sewer Utility	Waste Collection	Storm Drain		Internal Service Funds
<b><u>Reconciliation of operating income to net cash provided (used) by operating activities:</u></b>							
Operating income (loss)	\$ (170,311)	519,617	(35,656)	241,020	(198,847)	355,823	49,841
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation and amortization expense	-	895,731	574,836	3,924	683,569	2,158,060	305,729
(Increase)/decrease in accounts receivable	(237)	(55,802)	(77,785)	(2,159)	(2,599)	(138,582)	-
(Increase)/decrease in prepaid items	(614)	(28,523)	-	-	(151)	(29,288)	(10,137)
Increase /(decrease) in accounts payable	(1,015)	218,137	208,505	206,627	348,393	980,647	26,786
Increase /(decrease) in customer deposits	14,945	-	-	-	-	14,945	-
Increase /(decrease) in compensated absences	(4,983)	126	1,302	-	(8,857)	(12,412)	-
Increase /(decrease) in unearned revenue	-	(2,023)	-	-	-	(2,023)	-
Increase /(decrease) in pension assets/ liabilities	(829)	(1,900)	(2,170)	(191)	(1,376)	(6,466)	(681)
Total adjustments	<u>7,267</u>	<u>1,025,746</u>	<u>704,688</u>	<u>208,201</u>	<u>1,018,979</u>	<u>2,964,881</u>	<u>321,697</u>
Net cash provided (used) by operating activities	<u>\$ (163,044)</u>	<u>1,545,363</u>	<u>669,032</u>	<u>449,221</u>	<u>820,132</u>	<u>3,320,704</u>	<u>371,538</u>

The accompanying notes are an integral part of the financial statements.



**Clearfield City Corporation**  
**Statement of Assets and Liabilities**  
**Fiduciary Fund - An Agency Fund**  
**June 30, 2018**

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	<u>Offsite Improvements</u>
<b><u>Assets</u></b>	
Cash and cash equivalents	\$ 34,691
Total assets	<u>\$ 34,691</u>
<b><u>Liabilities</u></b>	
Due to developers	<u>34,691</u>
Total liabilities	<u>\$ 34,691</u>

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The accompanying notes are an integral part of the financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

# Clearfield City Corporation

## Notes to Financial Statements

June 30, 2018

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### Note 1 - Summary of Significant Accounting Policies

#### Reporting entity

Clearfield City Corporation "the City" is a municipal corporation governed by an elected mayor and a five-member council. The City's major operations include public safety, highways and roads, culture-recreation, public improvements, planning and zoning, and general administrative services. The City's fiscal authority includes responsibility for final approval over budgeting appropriations, for funding deficits and operating deficiencies, disposal of surplus funds, control over the collection and disbursement of funds, and maintenance of title to assets. The financial statements include the various departments, agencies, and other organizational units governed by the City Council. The accompanying financial statements present the government and entities for which the City is considered to be financially accountable referred to as component units.

Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

*Blended component units.* Clearfield City Community Development and Renewal Agency is blended in the accompanying basic financial statements.

Blending means that component unit balances and transactions are combined with balances and transactions of the primary government. Although legally separate from the City, the above component unit is blended because it is governed by a board comprised of the City Council members. Additionally, there is a financial benefit/burden relationship between the City and the blended component unit. These entities are reported as special revenue funds.

*Discretely presented component units.* The North Davis Fire District provides emergency services to Clearfield City and West Point City. The seven-member governing board of the District is appointed by Clearfield City. The City votes to approve property taxes imposed by the District.

Complete financial statements for the component units may be obtained at the entities' administrative offices, 381 North 3150 West, West Point, Utah 84015.

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

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**Note 1 - Summary of Significant Account Policies - continued**

Description of Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Basis of presentation - government-wide financial statements

While government-wide statements and fund statements are presented separately, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are: 1) reasonable allocation of costs where the amounts are reasonably equivalent in value to the interfund services provided and 2) other charges between the government's General Fund and utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of presentation - fund financial statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

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**Note 1 - Summary of Significant Account Policies - continued**

The City reports the following major governmental funds:

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

The *community development & renewal agency fund* accounts for and reports community development and renewal agency transactions conducted by the City, including property acquisition, site improvements, preparation cost, installation of public improvements, and administration cost, most of which are funded through property taxes and rents charged on the properties held by the City.

The *G.O. bond fund* is used to account for and report principal and interest on the general obligation bonds used to finance construction in the City.

The *capital projects fund* accounts for and reports the ongoing acquisition and replacement of major capital assets and infrastructure improvements needed to maintain the operations of the City. General government resources provide the primary source of funding with grants and other government resources provide additional funding as available.

The City reports the following major proprietary funds:

The *public utility administration fund* accounts for and reports the administration of the City's public utility system, specifically related to service charges and late fees charged to customers that offset the cost of utility shut-off.

The *water utility fund* accounts for and reports the activities of the government's water distribution operations.

The *sewer utility fund* accounts for and reports the activities of the government's sewer operations.

The *waste collection fund* accounts for and reports the activities of the government's waste collection operations.

The *storm drain fund* accounts for and reports the activities of the government's storm sewer operations.

Additionally, the City reports the following fund types:

The *fleet management internal service fund* - accounts for and reports the fleet vehicles owned by the City.

The *risk management internal service fund* - accounts for and reports risk management for the City.

The *offsite improvement fund* accounts for and reports the funds collected from developers for offsite improvements and is a fiduciary fund.

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

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**Note 1 - Summary of Significant Account Policies - continued**

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**Measurement focus and basis of accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 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. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisition under capital leases are reported as other financing sources.

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

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**Note 1 - Summary of Significant Account Policies - continued**

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for the revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

**Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

1. Cash and cash equivalents and investments

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

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

Certain resources of the City's governmental funds are set aside for the following: debt, class C roads, capital improvements, and E911 as required by applicable federal and state regulations.

2. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Note 1 - Summary of Significant Account Policies - continued**

3. Receivables

All trade, property, sales, and franchise tax receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivables in excess of 180 days comprise the trade accounts receivable allowance for uncollectible accounts.

Property taxes are collected by the County Treasurer and remitted to the City shortly after collection. Property taxes are levied based on property values as of January 1 of each year, with liens posted as of the same date. Taxes are due and payable on November 1 and delinquent after 12 o'clock noon on November 30 of each year.

Sales taxes are collected by the State Tax Commission and remitted to the City monthly.

Franchise taxes are collected by telephone, natural gas and electric utilities, and by cable TV operations and are remitted to the City monthly.

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable government or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 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, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets, donated works of art, historical treasures and similar assets, and capital assets received in a service concession arrangement are recorded at acquisition value.



**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 1 - Summary of Significant Account Policies - continued**

4. Capital assets - continued

Land and construction in progress are not depreciated. Property, plant, equipment, and infrastructure of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Assets</u>	<u>Years</u>
Buildings	50	System infrastructure	30
Building improvements	15-20	Vehicles	5-10
Public domain infrastructure	50	Equipment	3-7

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The city only has two items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also reports amounts related to pension valuations.

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 position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of deferred inflow of resources. Property taxes to be collected in November were unavailable in the current fiscal year. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports amounts related to pension valuations.

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

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**Note 1 - Summary of Significant Account Policies - continued**

6. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

7. 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.

The General Fund has typically been used in prior years to liquidate pension liabilities.

This section intentionally left blank.

**Note 1 - Summary of Significant Account Policies - continued**

8. Net position flow assumption

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

9. Fund balance flow assumptions

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

10. Fund balance/net position policies

Government-wide financial statements

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

*Net investment in capital assets* - Capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted net position* - Net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

*Unrestricted net position* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

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**Note 1 - Summary of Significant Account Policies - continued**

10. Fund balance/net position policies - continued

Fund financial statements

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Descriptions of each follow:

*Nonspendable fund balance* - Amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

*Restricted fund balance* - Amounts restricted by enabling legislation. Also reported if, (a) externally imposed by creditors, grantors, contributors, or laws/regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, the City Council. That formal action is by adoption of an ordinance prior to the end of the fiscal year. The commitment can only be removed through the same action.

*Assigned fund balance* - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Council has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

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

Revenues and expenditures/expenses

1. Program revenues

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

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

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**Note 1 - Summary of Significant Account Policies - continued**

2. Property taxes

Property taxes attach as an enforceable lien on real property on January 1st of each year. Taxes are levied on property owners in July and are payable by November 30th. Collections are periodically distributed to the taxing entities, with final settlement due March 31st of the subsequent year. The City records a receivable and deferred revenue for delinquent taxes, but no allowance for doubtful accounts is made as uncollected taxes are deemed to be substantially collectible or recoverable through foreclosure.

3. Compensated absences

City employees are granted vacation and sick leave in varying amounts based on length of service. Unused vacation up to 240 hours may carryover into the next year and is paid upon termination. Sick leave in excess of 80 hours may be converted to five days of vacation leave or to cash at one-fourth of the value.

Sick leave is forfeited upon termination. Certain eligible employees can, upon retirement, convert unused sick leave into prepaid health insurance premiums (up to 5 years) or receive an equivalent lump sum payment.

The government's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

4. Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service 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.

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 2 - Reconciliation of Government-Wide and Fund Financial Statements**

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets.

*Capital related items:*

When capital assets (property, plant, and equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the City as a whole.

Cost of capital assets	\$ 80,151,512
Accumulated depreciation	<u>(40,673,945)</u>
Total difference	<u><u>\$ 39,477,567</u></u>

*Long-term debt transactions:*

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the fund financials. All liabilities (both current and long-term) are reported in the statement of net position. Balances at June 30, 2018 were:

General obligation bonds	\$ 2,520,000
Revenue bonds	16,799,076
Capital lease	2,201,012
Bond discount	(10,940)
Bond premium	114,166
Deferred charge on refunding	(380,211)
Pension related debt	1,970,785
Interest payable on long-term debt	162,332
Compensated absences	<u>484,234</u>
Total difference	<u><u>\$ 23,860,454</u></u>

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 2 - Reconciliation of Government-Wide and Fund Financial Statements**

Internal service funds:

Another element of that reconciliation explains that “internal service funds are used by management to charge the costs of equipment and risk to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.” The details of this difference are as follows:

	Fleet Management	Risk Management
Net position of the internal service funds	\$ 1,297,759	120,665

B. Explanation of differences between governmental fund operating statements and the statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures, while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the net difference, the elements of this difference are as follows:

Capital outlay	\$ 8,326,368
Loss on disposal of capital assets	(286,666)
Depreciation expense	(1,505,123)
Net difference as reported	\$ 6,534,579

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 2 - Reconciliation of Government-Wide and Fund Financial Statements - continued**

Another element of the reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Debt issued or incurred:	
Revenue bond	\$ (7,277,076)
Principal repayments:	
General obligation debt	975,000
Revenue bond obligations	954,000
Capital lease obligations	<u>149,613</u>
Net difference as reported	<u><u>\$ (5,198,463)</u></u>

Another element of the reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of the difference are as follows:

Compensated absences	\$ (80,496)
Amortization of bond premiums	62,584
Amortization of bond discounts	(1,093)
Amortization of deferred charge	(85,803)
Pension related debt	59,549
Accrued interest	<u>26,697</u>
Net difference as reported	<u><u>\$ (18,562)</u></u>

Another element of the reconciliation states that "internal service funds are used by management to charge the costs of service equipment and central stores to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities." The details of this are as follows:

	<u>Fleet</u>	<u>Risk</u>
	<u>Management</u>	<u>Management</u>
Changes in net position	\$ 32,986	-
Depreciation on fleet assets	<u>305,729</u>	<u>-</u>
Net difference reported	<u><u>\$ 338,715</u></u>	<u><u>-</u></u>



**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

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**Note 3 - Stewardship, Compliance, and Accountability**

Budgetary information

Budgets are prepared and adopted by the Clearfield City Council in accordance with State law on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general, special revenue, debt service, and capital projects funds. Tentative budgets must be adopted on or before June 22nd for the following fiscal year, beginning July 1st. Final adoption of the budget must be no later than August 17th. Budgets may be increased by resolution of the Council at any time during the year. A public hearing must be held regarding any proposed increase in a fund's appropriations. The budget is adopted by fund, function, and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between Departments require the approval of the City Council. The legal level of budgetary control is at the departmental level. Appropriations lapse at June 30th.

Budgets for the General Fund, Special Revenue Funds, and Capital Projects Funds are prepared using the modified accrual basis of accounting. Encumbrances are used only as an internal management control device during the year. Appropriations lapse at year end. Therefore, encumbrances are not reflected in the accompanying financial statements. However, encumbrances generally are reappropriated and honored as part of the following year's budget. The Council made several supplemental budgetary appropriations throughout the year. Budget and actual statements for funds reported as major are included in this report. The supplemental budgetary appropriations made in nonmajor funds were not material.

Utah State Law allows for any unassigned fund balance in excess of 5% of total revenues of the General Fund to be utilized for budget purposes. The law also allows for the accumulation of a fund balance in the General Fund in an amount equal to 25% of the total current year revenue of the General Fund. In the event that the fund balance, at the end of the fiscal year, is in excess of that allowed, the City has one year to determine an appropriate use and then the excess must be included as an available resource in the General Fund budget. For the current year, the City is not in compliance based on the above range. The General Fund is over state compliance limits by \$2,699,341.

**Note 4 - Detailed Notes on All Funds**

Deposits and investments

*Deposits*

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the local government's deposits may not be recovered. The local government's policy for managing custodial credit risk is to adhere to the Money Management Act. As of June 30, 2018, \$848,726 of the \$1,098,726 balance of deposits was exposed to custodial credit risk because it was uninsured and uncollateralized.

*Investments*

The State of Utah Money Management Council has the responsibility to advise the Utah 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 (*Utah Code*, Title 51, Chapter 7) (the Act) that relate to the deposit and investment of public funds.

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

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

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**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

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**Note 4 - Detailed Notes on All Funds - continued**

Deposits and investments - continued

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified or permitted depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations; bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah Public Treasurers’ 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 and is not registered with the Securities and Exchange Commission as an investment company. The PTIF is authorized and regulated by the Act. The Act established the Money Management Council which oversees the activities of the Utah 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.

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

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

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 4 - Detailed Notes on All Funds - continued**

Deposits and investments - continued

At June 30, 2018, the City had the following recurring fair value measurements.

Investments by fair value level	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Debt Securities			
Corporate Bonds	\$ -	13,422,896	-
Money Market Mutual Funds	-	3,549,691	-
Utah Public Treasurers' Investment Fund	-	12,451,201	-
Total investments measured at fair value	<u>\$ -</u>	<u>29,423,788</u>	<u>-</u>

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

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds: quoted prices for similar securities in active markets;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers' Investment Fund: application of the December 31, 2017 fair value factor, as calculated by the Utah State Treasurer, to the entity's average daily balance in the Fund.

*Interest rate risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days and 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.

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 4 - Detailed Notes on All Funds - continued**

Deposits and investments - continued

As of June 30, 2018, the City's investments had the following maturities:

Investment Type	Investment Maturities (in years)		
	Less than 1	1-5	6 or more
Corporate Bonds	\$ 4,453,609	8,969,287	-
Money Market Mutual Funds	3,549,691	-	-
Utah Public Treasurers' Investment Fund	12,451,201	-	-
Total	\$ 20,454,501	8,969,287	-

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

Investment Type	Quality Ratings		
	AA	A	Unrated
Corporate Bonds	\$ -	13,422,896	-
Money Market Mutual Funds	-	-	3,549,691
Utah Public Treasurers' Investment Fund	-	-	12,451,201
Total	\$ -	13,422,896	16,000,892

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

*Custodial Credit Risk - Investments* - is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments that are in the possession of an outside party. The local government is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 4 - Detailed Notes on All Funds - continued**

Receivables

Receivables as of year end for the government's general and enterprise funds are as follows:

	Governmental	Business-type	Total
Accounts, net	\$ 175,969	1,054,642	1,230,611
B & C road	239,269	-	239,269
Property taxes	2,515,330	-	2,515,330
Intergovernmental	1,198,503	-	1,198,503
	<u>\$ 4,129,071</u>	<u>1,054,642</u>	<u>5,183,713</u>

The business-type accounts receivable includes \$3,869 in allowance for doubtful accounts for utility services.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Property taxes	\$ 2,386,984	-
Total deferred/unearned revenue for governmental funds	<u>\$ 2,386,984</u>	<u>-</u>

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**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 4 - Detailed Notes on All Funds - continued**

Capital assets

Capital asset activity for the year ended June 30, 2018 was as follows:

**Primary Government**

**Governmental Activities:**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 4,677,687	5,780,353	43,727	10,414,313
Construction in progress	999,474	1,879,695	359,125	2,520,044
Water rights	25,200	-	-	25,200
<b>Total capital assets not being depreciated</b>	<b>5,702,361</b>	<b>7,660,048</b>	<b>402,852</b>	<b>12,959,557</b>
Capital assets being depreciated:				
Buildings	25,191,917	-	-	25,191,917
Improvements	3,722,510	755,743	-	4,478,253
Machinery and equipment	7,573,066	481,046	540,473	7,513,639
Infrastructure	33,909,507	164,078	36,230	34,037,355
<b>Total capital assets being depreciated</b>	<b>70,397,000</b>	<b>1,400,867</b>	<b>576,703</b>	<b>71,221,164</b>
Less accumulated depreciation for:				
Buildings	9,633,739	629,344	-	10,263,083
Improvements	987,180	200,064	-	1,187,244
Machinery and equipment	5,483,455	441,297	280,679	5,644,073
Infrastructure	26,048,302	234,418	36,230	26,246,490
<b>Total accumulated depreciation</b>	<b>42,152,676</b>	<b>1,505,123</b>	<b>316,909</b>	<b>43,340,890</b>
<b>Total capital assets, being depreciated, net</b>	<b>28,244,324</b>	<b>(104,256)</b>	<b>259,794</b>	<b>27,880,274</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 33,946,685</b>	<b>7,555,792</b>	<b>662,646</b>	<b>40,839,831</b>

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 4 - Detailed Notes on All Funds - continued**

Capital assets - continued

**Primary Government**

**Business-type Activities:**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Construction in process	\$ 2,341,633	4,341,509	692,537	5,990,605
Land	1,404,577	-	-	1,404,577
Water stock and rights	9,162	-	-	9,162
<b>Total capital assets not being depreciated</b>	<b>3,755,372</b>	<b>4,341,509</b>	<b>692,537</b>	<b>7,404,344</b>
Capital assets being depreciated:				
Buildings	4,169,130	-	-	4,169,130
Improvements	345,641	-	-	345,641
Infrastructure	75,674,079	726,473	574,980	75,825,572
Machinery and equipment	1,580,461	-	26,716	1,553,745
<b>Total capital assets being depreciated</b>	<b>81,769,311</b>	<b>726,473</b>	<b>601,696</b>	<b>81,894,088</b>
Less accumulated depreciation for:				
Buildings	2,680,947	47,258	-	2,728,205
Improvements	155,984	22,828	-	178,812
Infrastructure	38,251,246	2,018,609	574,980	39,694,875
Machinery and equipment	1,036,426	69,365	26,716	1,079,075
<b>Total accumulated depreciation</b>	<b>42,124,603</b>	<b>2,158,060</b>	<b>601,696</b>	<b>43,680,967</b>
<b>Total capital assets, being depreciated, net</b>	<b>39,644,708</b>	<b>(1,431,587)</b>	<b>-</b>	<b>38,213,121</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 43,400,080</b>	<b>2,909,922</b>	<b>692,537</b>	<b>45,617,465</b>



**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

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**Note 4 - Detailed Notes on All Funds - continued**

Capital assets - continued

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

Governmental activities:

General government	\$ 372,938
Public safety	29,620
Public works	24,908
Highways and public improvements	217,745
Community services	554,183
Internal service fund	305,729
Total depreciation expense - governmental activities	<u>1,505,123</u>

Business-type activities:

Water	895,731
Sewer	574,836
Waste collection	3,924
Storm sewer	683,569
Total depreciation expense - business-type activities	<u>2,158,060</u>

Total depreciation expense	<u><u>\$ 3,663,183</u></u>
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**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 4 - Detailed Notes on All Funds - continued**

Discretely presented component unit - North Davis Fire District

<b>Business-type Activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 200,110	-	-	200,110
Construction in process	-	-	-	-
Total capital assets not being depreciated	200,110	-	-	200,110
Capital assets being depreciated:				
Buildings and improvements	3,006,948	-	-	3,006,948
Machinery and equipment	3,243,459	479,531	246,633	3,476,357
Total capital assets being depreciated	6,250,407	479,531	246,633	6,483,305
Less accumulated depreciation for:				
Buildings and improvements	663,914	75,174	-	739,088
Machinery and equipment	2,139,435	350,957	246,633	2,243,759
Total accumulated depreciation	2,803,349	426,131	246,633	2,982,847
Total capital assets, being depreciated, net	3,447,058	53,400	-	3,500,458
Business-type activities capital assets, net	\$ 3,647,168	53,400	-	3,700,568

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**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 4 - Detailed Notes on All Funds - continued**

Interfund receivables, payables, and transfers

Individual interfund receivable and payable balances at June 30, 2018 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 124,349	-
Internal Service Fund - Risk	-	124,349
	<u>\$ 124,349</u>	<u>124,349</u>

<u>Fund</u>	<u>Loans Receivable Other Funds</u>	<u>Loans Payable Other Funds</u>
Community Development & Renewal Agency	\$ -	1,067,171
Public Utility Administration	1,067,171	-
	<u>\$ 1,067,171</u>	<u>1,067,171</u>

*Interfund transfers:*

	<u>Transfer in</u>				<u>Total Transfers out</u>
	<u>General Fund</u>	<u>G.O. Bond Fund</u>	<u>Capital Projects</u>	<u>Non-Major Governmental</u>	
Transfers out:					
General Fund	\$ -	-	1,382,203	-	1,382,203
CDRA Fund	938,669	-	-	-	938,669
Capital projects	-	-	-	-	-
Non-major Governmental	-	-	-	-	-
Enterprise funds	247,047	356,850	-	-	603,897
Total	<u>\$ 1,185,716</u>	<u>356,850</u>	<u>1,382,203</u>	<u>-</u>	<u>2,924,769</u>

Interfund receivables and payables are created when expenditures are paid by one fund on behalf of another. In addition, allocations of expenditures between funds are recorded as due to/from until paid.

During the year, transfers are used to 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due and 2) move general fund resources to provide an annual subsidy to the capital projects fund.

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 4 - Detailed Notes on All Funds - continued**

Leases commitments

Operating Leases

The City has entered into various operating leases with local individuals and businesses for the use of property held for redevelopment. These leases are month to month and are cancelable at any time by either party. For the year ended June 30, 2018 lease revenue amounted to \$4,000.

Capital Leases

In 2017 the City entered into a lease agreement as lessee for financing the acquisition of energy efficient equipment valued at \$2,423,270. None of the items of equipment individually meets the City's capitalization limits.

Years Ending June 30	Capital Lease Obligations	
	Principal	Interest
2019	\$ 162,826	42,789
2020	173,761	39,484
2021	179,247	36,017
2022	184,560	32,441
2023	190,603	28,753
2024-2028	1,043,890	84,355
2029-2033	266,125	4,888
Total	\$ 2,201,012	268,727

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 4 - Detailed Notes on All Funds - continued**

Long-term debt

Long-term liability activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable					
General obligation bonds	\$ 3,495,000	-	(975,000)	2,520,000	1,010,000
General obligation bonds - premium	171,249	-	(57,083)	114,166	-
Revenue bonds	10,476,000	7,277,076	(954,000)	16,799,076	988,000
Revenue bonds - discount	(12,033)	-	1,093	(10,940)	-
Revenue bonds - premium	5,501	-	(5,501)	-	-
Total bonds payable	14,135,717	7,277,076	(1,990,491)	19,422,302	1,998,000
Capital lease payable	2,350,625	-	(149,613)	2,201,012	162,826
Net pension liability	3,124,430	(809,223)	-	2,315,207	-
Compensated absences	403,738	321,558	(241,062)	484,234	289,124
Governmental activity long-term liabilities	<u>\$ 20,014,510</u>	<u>6,789,411</u>	<u>(2,381,166)</u>	<u>24,422,755</u>	<u>2,449,950</u>
<b>Business-type activities:</b>					
Bonds payable					
Revenue bonds	\$ 920,000	-	(295,000)	625,000	305,000
Revenue bonds - premium	6,063	-	(2,023)	4,040	-
Compensated absences	29,023	13,823	(26,235)	16,611	5,814
Net pension liability	368,229	(89,904)	-	278,325	-
Business-type activities: long-term liabilities	<u>\$ 1,323,315</u>	<u>(76,081)</u>	<u>(323,258)</u>	<u>923,976</u>	<u>310,814</u>

The governmental activities compensated absences and pension liabilities are generally liquidated by the general fund.

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 4 - Detailed Notes on All Funds - continued**

Long-term debt - continued

General obligation issues at June 30, 2018 consist of the following:

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
2014	Refunding bonds for series 2005 used to finance the acquisition and construction of major capital facilities	\$ 5,465,000	3%	2021	\$ 2,520,000
				Governmental activities	<u>\$ 2,520,000</u>

Tax revenue issues at June 30, 2018 consist of the following:

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
<i>Sales tax revenue bonds</i>					
2010	Refunding bonds for series 2009 sales tax bonds	\$ 2,210,000	1.5% - 3.25%	2019	\$ 535,000
2016	Refunding bonds for series 2006 tax increment bonds	\$ 9,592,000	2.395%	2028	8,987,000
<i>Excise tax revenue bonds</i>					
2018	Finance the acquisition and construction of major capital facilities	\$ 7,277,000	4.340%	2033	7,277,076
<i>Water revenue bonds</i>					
2007	Finance the acquisition and construction of major capital facilities	\$ 3,330,000	4.00%	2020	625,000
					<u>\$ 17,424,076</u>
				Governmental activities	\$ 16,799,076
				Business-type activities	<u>625,000</u>
					<u>\$ 17,424,076</u>

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 4 - Detailed Notes on All Funds - continued**

Long-term debt - continued

Years Ending June 30	<b>Governmental Activities</b>				<b>Business-type Activities</b>	
	General Obligation		Tax Revenue		Water Revenue	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 1,010,000	75,600	988,000	485,479	305,000	25,000
2020	1,010,000	45,300	1,008,000	509,295	320,000	12,800
2021	500,000	15,000	1,186,000	486,992	-	-
2022	-	-	1,224,000	450,036	-	-
2023	-	-	1,263,000	411,787	-	-
2024-2028	-	-	6,930,000	1,438,708	-	-
2029-2033	-	-	4,200,076	45,021	-	-
Total	\$ 2,520,000	135,900	16,799,076	3,827,318	625,000	37,800

Advance and current refunding

*Prior year defeasance of debt.* In prior years, the government defeased general obligation public improvement bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At June 30, 2018, \$23,301,000 of defeased bonds remained outstanding.

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 4 - Detailed Notes on All Funds - continued**

Discretely presented component unit - North Davis Fire District

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	\$ 1,935,000	-	(165,000)	1,770,000	170,000
Capital leases	783,353	-	(111,745)	671,608	115,284
Compensated absences	138,314	51,199	-	189,513	-
Total component unit long-term liabilities	<u>\$ 2,856,667</u>	<u>51,199</u>	<u>(276,745)</u>	<u>2,631,121</u>	<u>285,284</u>

Leases that in substance are purchases are reported as capital lease obligations. In the government-wide statements, assets and liabilities resulting from capital leases are recorded at the inception of the lease at either the lower of fair value or the present value of the future minimum lease payments. The principal portion of lease payments reduces the liability and the interest portion is expensed. In government fund statements, both the principal and interest portions of capital lease payments are recorded as expenditures.

The District purchased an aerial fire truck on November 15, 2011, financed by a capital lease in the principal amount of \$600,000, with an interest rate of 2.99%, and 10 annual principal and interest payments of \$69,990.59 starting on September 21, 2012.

On October 29, 2014, the District financed Rescue Engine #41 with a Capital Lease from OshKosh Capital in the amount of \$669,789 with an interest rate of 3.38% and 10 annual principal and interest payments of \$66,978.87.

Operating leases are leases for which the District will not gain title to the property being leased. Therefore, the related assets and liabilities are not recorded on the financial statements. The District has no operating leases at June 30, 2018.



**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 4 - Detailed Notes on All Funds - continued**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018, were as follows:

Year Ending June 30	Governmental Activities
2018	\$ 136,969
2019	136,969
2020	136,969
2021	136,969
2022	66,979
Thereafter	133,959
Total minimum lease payments	748,814
Less: amount representing interest	(77,205)
Present value of minimum lease payments	\$ 671,609

Tax revenue issues at June 30, 2018 consist of the following:

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
<i>Revenue bonds</i>					
2015	To finance the costs of acquiring or constructing the new fire station. Original issuance in 2008, refunded in 2015.	\$ 3,100,000	3.38%	2027	\$ 1,770,000
	Year Ending June 30	Principal	Interest		
	2019	\$ 170,000	59,826		
	2020	175,000	54,080		
	2021	185,000	48,165		
	2022	190,000	41,912		
	2023	195,000	35,490		
	2024-2028	855,000	73,346		
	Total	\$ 1,770,000	312,819		

**Note 5 - Other Information**

General Information about the Pension Plan

Plan Description

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

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

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S. Salt Lake City, Utah 84102 or visiting the website: [www.urs.org](http://www.urs.org).

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 5 - Other Information - continued**

Benefits Provided

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

*Summary of Benefits by System*

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 any 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% depending upon employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year all years	Up to 2.5%

\* 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.

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 5 - Other Information - continued**

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, 2018 are as follows:

*Utah Retirement Systems*

	<u>Employee Paid</u>	<u>Employer Contribution Rates</u>	<u>Employer Rate for 401(k) Plan</u>
<b>Contributory System</b>			
111 Local Governmental Division - Tier 2	N/A	15.11%	1.58%
<b>Noncontributory System</b>			
15 Local Governmental Division - Tier 1	N/A	18.47%	N/A
<b>Public Safety System</b>			
<b>Contributory</b>			
122 Tier 2 DB Hybrid Public Safety	N/A	22.57%	1.26%
<b>Noncontributory</b>			
Other Div A with 2.5% COLA	N/A	34.04%	N/A
<b>Tier 2 DC Only</b>			
211 Local Government	N/A	6.69%	10.00%
222 Public Safety	N/A	11.83%	12.00%

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

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 5 - Other Information - continued**

For fiscal year ended June 30, 2018, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 452,921	N/A
Public Safety System	331,827	-
Tier 2 Public Employees System	183,915	-
Tier 2 Public Safety and Firefighter	106,211	-
Tier 2 DC Only System	19,711	N/A
Tier 2 DC Public Safety and Firefighter system	9,966	N/A
<b>Total Contributions</b>	<b>\$ 1,104,551</b>	<b>-</b>

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.

**Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources relating to Pensions**

At June 30, 2018, we reported a net pension asset of \$4,711 and a net pension liability of \$2,593,533.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.3162596%	\$ -	1,385,628
Public Safety System	0.7634211%	-	1,197,547
Tier 2 Public Employees System	0.1174857%	-	10,358
Tier 2 Public Safety and Firefighters System	0.4071432%	4,711	-
<b>Total Net Pension Asset / Liability</b>		<b>\$ 4,711</b>	<b>2,593,533</b>

The net pension asset and liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2017 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, 2018 we recognized pension expense of \$1,037,342.

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 5 - Other Information - continued**

At June 30, 2018 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,754	270,154
Changes in assumptions	962,948	50,328
Net difference between projected and actual earnings on pension plan investments	(840,348)	-
Changes in proportion and differences between contributions and proportionate share of contributions	64,075	116,288
Contributions subsequent to the measurement date	550,806	-
Total	\$ 771,235	436,770

\$550,806 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2016. 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,	Deferred Outflows (inflows) of Resources
2018	\$ 77,108
2019	183,204
2020	(200,341)
2021	(294,832)
2022	(2,904)
Thereafter	21,423

Actuarial assumptions: The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.25 - 9.75%, average, including inflation
Investment rate of return	6.95%, net of pension plan investment expense, including inflation

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 5 - Other Information - continued**

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2017, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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

Asset Class	Expected Return Arithmetic Basis		
	Allocation	Arithmetic	Long-Term expected portfolio
Equity Securities	40%	6.15%	2.46%
Debt Securities	20%	40.00%	0.08%
Real Assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute Return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.75%
		Inflation	2.50%
		Expected arithmetic nominal return	7.25%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, and a real return of 4.45% that is net of investment expense.

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 5 - Other Information - continued**

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. 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. The discount rate was reduced to 6.95% from 7.20% from the prior measurement period.

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

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95%, 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 (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 3,747,389	1,385,628	(578,059)
Public Safety System	3,017,279	1,197,547	(277,326)
Tier 2 Public Employees System	121,965	10,358	(75,706)
Tier 2 Public Safety and Firefighter	41,718	(4,711)	(40,183)
Total	\$ 6,928,351	2,588,822	(971,274)

Pension plan fiduciary net position

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

Defined Contribution Savings Plans

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



**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 5 - Other Information - continued**

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

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

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

<i>401(k) Plan</i>	2018	2017	2016
Employer Contributions	\$ 105,608	102,363	83,528
Employee Contributions	22,516	14,696	10,288
<i>457 Plan</i>			
Employer Contributions	-	-	-
Employee Contributions	13,702	28,122	20,746
<i>Roth IRA Plan</i>			
Employer Contributions	n/a	n/a	n/a
Employee Contributions	15,016	8,857	7,755
<i>Roth IRA Plan</i>			
Employer Contributions	n/a	n/a	n/a
Employee Contributions	260	230	-

**Commitments and Contingencies**

The City has commitments related to capital improvements, capital purchases, and other contractual agreements at June 30, 2018, for the following:

Fund	Capital Purchases	Capital Improvements	Total
<i>Governmental Funds</i>			
General Fund	\$ 161,807	-	161,807
Capital Projects Fund	-	504,072	504,072
	161,807	504,072	665,879
<i>Enterprise Funds</i>			
Water Fund	-	2,345,166	2,345,166
Sewer Fund	-	943,102	943,102
Storm Sewer Fund	-	727,565	727,565
Garbage Fund	-	18,209	18,209
	\$ -	4,034,042	4,034,042

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

**Note 5 - Other Information - continued**

Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

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

The City is a defendant in various lawsuits. For certain of these cases, where it is probable that a claim will be paid, the City has determined that such claims would be covered under the City's insurance policy. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney's Office, the resolution of these matters will not have a materially adverse effect on the financial condition of the City.

Community Development & Renewal Agency

Tax increment monies were generated from the following project areas within the Community Development & Renewal Agency (CDRA):

Area #6	\$ 243,238
Area #7	184,839
Area #8	211,716
Area #9	331,267
Area #10	304,154
EDA	217,335
Total increment money	\$ 1,492,549

Outstanding debt of the CDRA consists of the following:

Interfund loan with enterprise administration fund	\$ 1,067,171
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During the year, the CDRA expended monies in the categories below as follows:

Incentive payment	\$ 178,212
Site improvements/preparation costs/property	985,525
Debt repayment and bond issuance costs	22,776
	\$ 1,186,513

**Clearfield City Corporation**  
**Notes to Financial Statements - Continued**  
**June 30, 2018**

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**Note 5 - Other Information - continued**

Conduit debt obligations

The City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of residential low-income housing and the purchase of manufacturing equipment. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issue. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2018, the following bonds were outstanding:

<u>Company</u>	<u>Balance at June 30, 2018</u>
Oakstone, L.C. 1997A and B	\$ 15,000,000
Utah Stamping Company 2005	3,000,000

The Oakstone bonds were refunded in September of 2008, resulting in a more favorable rate for the borrower.

Prior period adjustments

In reconciling accumulated depreciation for infrastructure for governmental-type activities, management discovered that a prior year infrastructure replacement was not properly removed. The end result is an decrease in net position of \$229,556.

Subsequent events

Subsequent events have been evaluated through November 15, 2018, the date that the financial statements were available to be issued. There have been no subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet.

## **REQUIRED SUPPLEMENTAL INFORMATION**

**Clearfield City Corporation**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**Utah Retirement Systems**  
**Last Three Fiscal Years Ending December 31\***

	2014	2015	2016	2017
<b><u>Noncontributory System</u></b>				
Proportion of the net pension liability (asset)	0.3322114%	0.3092115%	0.3037055%	0.3162596%
Proportionate share of the net pension liability (asset)	\$ 1,442,540	\$ 1,749,669	\$ 1,950,161	\$ 1,385,628
Covered employee payroll	\$ 2,737,451	\$ 2,481,043	\$ 2,420,787	\$ 2,433,567
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	52.70%	70.52%	80.56%	56.94%
Plan fiduciary net position as a percentage of the total pension liability	90.20%	87.80%	87.30%	91.90%
<b><u>Public Safety System</u></b>				
Proportion of the net pension liability (asset)	0.8767732%	0.7831462%	0.7546618%	0.7634211%
Proportionate share of the net pension liability (asset)	\$ 1,102,615	\$ 1,402,812	\$ 1,531,417	\$ 1,197,547
Covered employee payroll	\$ 1,348,923	\$ 1,208,489	\$ 1,245,031	\$ 1,229,818
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	81.70%	116.08%	123.00%	97.38%
Plan fiduciary net position as a percentage of the total pension liability	90.50%	87.10%	86.50%	90.20%
<b><u>Tier 2 Public Employees System</u></b>				
Proportion of the net pension liability (asset)	0.0870999%	0.9484830%	0.0993670%	0.1174857%
Proportionate share of the net pension liability (asset)	\$ (2,640)	\$ (207)	\$ 11,081	\$ 10,358
Covered employee payroll	\$ 427,055	\$ 612,830	\$ 814,640	\$ 1,149,764
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	-0.60%	-0.03%	1.36%	0.90%
Plan fiduciary net position as a percentage of the total pension liability	103.50%	100.20%	95.10%	97.40%
<b><u>Tier 2 Public Safety and Firefighters System</u></b>				
Proportion of the net pension liability (asset)	0.2181973%	0.3868592%	0.3082666%	0.4071432%
Proportionate share of the net pension liability (asset)	\$ (3,228)	\$ (5,652)	\$ (2,676)	\$ (4,711)
Covered employee payroll	\$ 90,437	\$ 230,174	\$ 254,696	\$ 429,777
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	-3.60%	-2.46%	-1.05%	-1.10%
Plan fiduciary net position as a percentage of the total pension liability	120.50%	110.70%	103.60%	103.00%

\* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively. The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the employers the fiscal year.

NA Information not available

**Clearfield City Corporation**  
**Schedule of Contributions**  
**Last 10 Fiscal Years Ending June 30**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b><u>Noncontributory System</u></b>										
Contractually required contribution	\$ 427,467	418,021	455,203	463,986	505,433	508,305	522,143	447,180	443,611	452,921
Contributions in relation to the contractually required contribution	(427,467)	(418,021)	(455,203)	(463,986)	(505,433)	(508,305)	(522,143)	(447,180)	(443,611)	(452,921)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	\$ 3,678,723	3,585,084	2,996,019	3,373,985	3,086,705	2,785,219	2,605,217	2,428,434	2,409,929	2,470,542
Contributions as a percentage of covered-employee payroll	11.62%	11.66%	15.19%	13.75%	16.37%	18.25%	20.04%	18.41%	18.41%	18.33%
<b><u>Public Safety System</u></b>										
Contractually required contribution	\$ 341,587	341,500	375,024	406,345	431,262	449,220	406,337	359,842	362,743	331,827
Contributions in relation to the contractually required contribution	(341,587)	(341,500)	(375,024)	(406,345)	(431,262)	(449,220)	(406,337)	(359,842)	(362,743)	(331,827)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	\$ 1,510,781	1,463,153	1,282,362	1,598,759	1,487,632	1,203,354	1,203,354	1,239,005	1,271,099	1,185,967
Contributions as a percentage of covered-employee payroll	22.61%	23.34%	29.24%	25.42%	28.99%	37.33%	33.77%	29.04%	28.54%	27.98%
<b><u>Tier 2 Public Employees System</u></b>										
Contractually required contribution	-	-	-	9,811	22,526	36,111	40,559	104,114	148,755	183,915
Contributions in relation to the contractually required contribution	-	-	-	(9,811)	(22,526)	(36,111)	(40,559)	(104,114)	(148,755)	(183,915)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	-	-	-	129,261	263,157	424,836	486,900	698,283	997,681	1,217,170
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	7.59%	8.56%	8.50%	8.33%	14.91%	14.91%	15.11%
<b><u>Tier 2 Public Safety and Firefighters System</u></b>										
Contractually required contribution	-	-	-	3,365	1,543	5,585	18,669	52,823	76,906	106,211
Contributions in relation to the contractually required contribution	-	-	-	(3,365)	(1,543)	(5,585)	(18,669)	(52,823)	(76,906)	(106,211)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	-	-	-	32,202	13,901	50,681	172,859	234,767	341,806	470,585
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	10.45%	11.10%	11.02%	10.80%	22.50%	22.50%	22.57%
<b><u>Tier 2 Public Employees DC Only System</u></b>										
Contractually required contribution	-	-	-	-	-	5,853	8,062	14,564	21,780	19,711
Contributions in relation to the contractually required contribution	-	-	-	-	-	(5,853)	(8,062)	(14,564)	(21,780)	(19,711)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	-	-	-	-	-	104,893	119,973	217,700	325,565	294,630
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	5.58%	6.72%	6.69%	6.69%	6.69%
<b><u>Tier 2 Public Safety and Firefighter DC Only System</u></b>										
Contractually required contribution	-	-	-	-	-	3,902	5,603	10,249	6,753	9,968
Contributions in relation to the contractually required contribution	-	-	-	-	-	(3,902)	(5,603)	(10,249)	(6,753)	(9,968)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered employee payroll	-	-	-	-	-	39,255	47,360	86,639	57,085	84,259
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	9.94%	11.83%	11.83%	11.83%	11.83%

\* 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

**Clearfield City Corporation**  
**Notes to Required Supplemental Information**  
**June 30, 2018**

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*Changes in Assumptions*

As a result of an experience study conducted as of December, 31, 2016, the Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial accrued liability) include a decrease in the investment return assumption from 7.20% to 6.95%, a reduction in the price inflation assumption from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living-adjustment assumption for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial accrued liability).

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## **SUPPLEMENTAL INFORMATION**



# Clearfield City Corporation

## Governmental Fund Descriptions

June 30, 2018

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### Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

*Capital Projects Fund* - This fund accounts for the ongoing acquisition and replacement of major capital assets and infrastructure improvements needed to maintain the operations of the City. General government resources provide the primary source of funding with grants and other government resources providing additional funding as available.

### Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

*G.O. Bond Fund* - This fund is used to account for principal and interest on the general obligation bonds used to finance construction in the City.

## NONMAJOR GOVERNMENTAL FUNDS

### Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

*Parks Fund* - This fund is used to account for the acquisition and development of City parks. Federal and State grant revenues along with general governmental resources provide funding for these projects.

### Permanent Fund

Permanent funds are used to account for and report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

*Cemetery Perpetual Care Permanent Fund* - This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust is used to maintain the City's cemetery.

**Clearfield City Corporation**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Capital Projects Fund**  
**For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Miscellaneous	\$ -	-	42,889	42,889
Interest income	5,000	5,000	31,954	26,954
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>74,843</u>	<u>69,843</u>
<b><u>Expenditures</u></b>				
Capital outlay	<u>3,278,200</u>	<u>3,278,200</u>	<u>2,630,891</u>	<u>647,309</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,273,200)</u>	<u>(3,273,200)</u>	<u>(2,556,048)</u>	<u>717,152</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	<u>1,223,000</u>	<u>1,223,000</u>	<u>1,382,200</u>	<u>159,200</u>
Total other financing sources (uses)	<u>1,223,000</u>	<u>1,223,000</u>	<u>1,382,200</u>	<u>159,200</u>
Net change in fund balances	(2,050,200)	(2,050,200)	(1,173,848)	876,352
Fund balances, beginning of year	<u>2,486,643</u>	<u>2,486,643</u>	<u>2,486,643</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 436,443</u></u>	<u><u>436,443</u></u>	<u><u>1,312,795</u></u>	<u><u>876,352</u></u>

**Clearfield City Corporation**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - G.O. Bond**  
**For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Taxes	\$ 723,500	723,500	827,448	103,948
Total revenues	723,500	723,500	827,448	103,948
<b><u>Expenditures</u></b>				
Bond issue costs	500	500	400	100
Principal retirement	975,000	975,000	975,000	-
Interest and fiscal charges	104,850	104,850	104,877	(27)
Total expenditures	1,080,350	1,080,350	1,080,277	73
Excess (deficiency) of revenues over expenditures	(356,850)	(356,850)	(252,829)	104,021
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	356,850	356,850	356,850	-
Total other financing sources (uses)	356,850	356,850	356,850	-
Net change in fund balances	-	-	104,021	104,021
Fund balances, beginning of year	83,843	83,843	83,843	-
Fund balances, end of year	\$ 83,843	83,843	187,864	104,021

**Clearfield City Corporation**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
**June 30, 2018**

	Capital Projects	Permanent Fund	
	Parks	Cemetery Perpetual Care	Total Nonmajor Governmental Funds
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 19,296	-	19,296
Restricted cash and cash equivalents	863,193	222,541	1,085,734
Total assets	<u>882,489</u>	<u>222,541</u>	<u>1,105,030</u>
<b><u>Liabilities and Fund Balances</u></b>			
Liabilities			
Due to other funds	-	-	-
Total liabilities	<u>1,967</u>	<u>-</u>	<u>1,967</u>
Fund balances			
Restricted for:			
Capital projects	863,193	-	863,193
Cemetery perpetual care	-	222,541	222,541
Assigned, reported in:			
Capital projects funds	17,329	-	17,329
Total fund balances	<u>880,522</u>	<u>222,541</u>	<u>1,103,063</u>
Total liabilities and fund balances	<u>\$ 882,489</u>	<u>222,541</u>	<u>1,105,030</u>

**Clearfield City Corporation**  
**Combining Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances - Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	Capital Projects <hr/> Parks	Permanent Fund <hr/> Cemetery Perpetual Care	Total Nonmajor Governmental Fund
<b><u>Revenues</u></b>			
Intergovernmental	\$ -	15,300	15,300
Impact fees	53,484	-	53,484
Interest	13,307	2,563	15,870
Total revenues	<hr/> 66,791	<hr/> 17,863	<hr/> 84,654
<b><u>Expenditures</u></b>			
General government	39,996	-	39,996
Total expenditures	<hr/> 39,996	<hr/> -	<hr/> 39,996
Excess (deficiency) of revenues over (under) expenditures	<hr/> 26,795	<hr/> 17,863	<hr/> 44,658
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers (out)	-	-	-
Transfers in	-	-	-
Total other financing sources (uses)	<hr/> -	<hr/> -	<hr/> -
Net change in fund balances	26,795	17,863	44,658
Fund balances, beginning of year	<hr/> 853,727	<hr/> 204,678	<hr/> 1,058,405
Fund balances, end of year	<hr/> <u>\$ 880,522</u>	<hr/> <u>222,541</u>	<hr/> <u>1,103,063</u>

**Clearfield City Corporation**  
**Statement of Changes in Assets and Liabilities**  
**Fiduciary Fund**  
**For the Year Ended June 30, 2018**

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 41,691	12,000	(18,999)	34,692
Total assets	<u>\$ 41,691</u>	<u>12,000</u>	<u>(18,999)</u>	<u>34,692</u>
<b><u>Liabilities</u></b>				
Due to developers	\$ 41,691	12,000	(18,999)	34,692
Total liabilities	<u>\$ 41,691</u>	<u>12,000</u>	<u>(18,999)</u>	<u>34,692</u>

**Clearfield City Corporation**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Parks Fund**  
**For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Interest	\$ 550	550	13,307	12,757
Impact fees	60,000	60,000	53,484	(6,516)
Total revenues	<u>60,550</u>	<u>60,550</u>	<u>66,791</u>	<u>6,241</u>
<b><u>Expenditures</u></b>				
General government	260,000	263,500	39,996	223,504
Excess of revenue over expenditures	<u>(199,450)</u>	<u>(202,950)</u>	<u>26,795</u>	<u>229,745</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(199,450)	(202,950)	26,795	229,745
Fund balances, beginning of year	<u>853,727</u>	<u>853,727</u>	<u>853,727</u>	-
Fund balances, end of year	<u>\$ 654,277</u>	<u>650,777</u>	<u>880,522</u>	<u>229,745</u>

**Clearfield City Corporation**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - Cemetery Perpetual Care Fund**  
**For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Interest	\$ 1,200	1,200	2,563	1,363
Intergovernmental	9,000	9,000	15,300	6,300
Total revenues	<u>10,200</u>	<u>10,200</u>	<u>17,863</u>	<u>7,663</u>
<b><u>Expenditures</u></b>				
General government	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>10,200</u>	<u>10,200</u>	<u>17,863</u>	<u>7,663</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	10,200	10,200	17,863	7,663
Fund balances, beginning of year	<u>204,678</u>	<u>204,678</u>	<u>204,678</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ 214,878</u></u>	<u><u>214,878</u></u>	<u><u>222,541</u></u>	<u><u>7,663</u></u>



**Clearfield City Corporation**  
**Internal Fund Descriptions**  
**June 30, 2018**

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**Internal Service Funds**

Internal service funds are used to account for services provided to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

*Fleet Management Fund* – to account for the government’s transportation fleet, including fleet acquisition and disposal, preventative maintenance, repairs, and the rental of motor vehicles to other departments and related costs.

*Risk Management Fund* – to account for the central management and billing of workers’ compensation, general liability, and property damage.

**Clearfield City Corporation**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2018**

	Internal Service Funds		
	Fleet Management	Risk Management	Total
<b><u>Assets</u></b>			
Current assets			
Cash and cash equivalents	\$ -	-	-
Prepaid items	3,018	250,462	253,480
Total current assets	<u>3,018</u>	<u>250,462</u>	<u>253,480</u>
Noncurrent assets			
Land, equipment, buildings and improvements	4,029,209	-	4,029,209
Less: accumulated depreciation	(2,666,945)	-	(2,666,945)
Total noncurrent assets	<u>1,362,264</u>	<u>-</u>	<u>1,362,264</u>
Total assets	<u><u>1,365,282</u></u>	<u><u>250,462</u></u>	<u><u>1,615,744</u></u>
<b><u>Deferred Outflows of Resources</u></b>			
Deferred outflows relating to pensions	16,806	-	16,806
Total deferred outflows of resources	<u>16,806</u>	<u>-</u>	<u>16,806</u>
<b><u>Liabilities</u></b>			
Current liabilities			
Accounts payable and accrued liabilities	30,887	5,448	36,335
Due to other funds	-	124,349	124,349
Total current liabilities	<u>30,887</u>	<u>129,797</u>	<u>160,684</u>
Non current liabilities			
Net pension liability	45,236	-	45,236
Total non current liabilities	<u>45,236</u>	<u>-</u>	<u>45,236</u>
Total liabilities	<u><u>76,123</u></u>	<u><u>129,797</u></u>	<u><u>205,920</u></u>
<b><u>Deferred Inflows of Resources</u></b>			
Deferred inflows relating to pensions	8,206	-	8,206
Total deferred inflows of resources	<u>8,206</u>	<u>-</u>	<u>8,206</u>
<b><u>Net Position</u></b>			
Net investment in capital assets	1,362,264	-	1,362,264
Unrestricted	(64,505)	120,665	56,160
Total net position	<u><u>\$ 1,297,759</u></u>	<u><u>120,665</u></u>	<u><u>1,418,424</u></u>

**Clearfield City Corporation**  
**Combining Statement of Revenues, Expenses, and Changes in**  
**Net Position - Internal Service Funds**  
**For the Year Ended June 30, 2018**

	Internal Service Funds		
	Fleet Management	Risk Management	Total
<b><u>Operating Revenues</u></b>			
Charges for services	\$ 886,169	251,363	1,137,532
Miscellaneous	15,057	-	15,057
Total operating revenues	901,226	251,363	1,152,589
<b><u>Operating Expenses</u></b>			
Salaries and wages	77,750	-	77,750
Employee benefits	39,899	-	39,899
Maintenance supplies and contracts	428,007	251,363	679,370
Depreciation and amortization	305,729	-	305,729
Total operating expenses	851,385	251,363	1,102,748
Net operating income	49,841	-	49,841
<b><u>Nonoperating Revenues (Expenses)</u></b>			
Gain/(loss) on disposal of capital assets	(16,855)	-	(16,855)
Total nonoperating revenues (expenses)	(16,855)	-	(16,855)
Change in net position	32,986	-	32,986
Total net position - beginning	1,264,773	120,665	1,385,438
Total net position - ending	\$ 1,297,759	120,665	1,418,424

The accompanying notes are an integral part of the financial statements.

**Clearfield City Corporation**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2018**

	Internal Service Funds		
	Fleet Management	Risk Management	Total
<b><u>Cash flows from operating activities</u></b>			
Receipts from customers	\$ 901,226	251,363	1,152,589
Payments to suppliers	(407,475)	(255,246)	(662,721)
Payments to employees	(118,330)	-	(118,330)
Net cash provided (used) by operating activities	<u>375,421</u>	<u>(3,883)</u>	<u>371,538</u>
<b><u>Cash flows from noncapital financing activities</u></b>			
Advances (to) from other funds	-	3,883	3,883
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>3,883</u>	<u>3,883</u>
<b><u>Cash flows from capital and related financing activities</u></b>			
Purchases of capital assets	(375,421)	-	(375,421)
Net cash provided (used) by capital and related financing activities	<u>(375,421)</u>	<u>-</u>	<u>(375,421)</u>
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents - beginning	-	-	-
Cash and cash equivalents - ending	<u>\$ -</u>	<u>-</u>	<u>-</u>
<b><u>Reconciliation of operating income to net cash provided (used) by operating activities:</u></b>			
Operating income (loss)	\$ 49,841	-	49,841
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization expense	305,729	-	305,729
(Increase)/decrease in prepaid items	(806)	(9,331)	(10,137)
Increase/(decrease) in accounts payable	21,338	5,448	26,786
Increase/(decrease) in pension assets/ liabilities	(681)	-	(681)
Total adjustments	<u>325,580</u>	<u>(3,883)</u>	<u>321,697</u>
Net cash provided (used) by operating activities	<u>\$ 375,421</u>	<u>(3,883)</u>	<u>371,538</u>

The accompanying notes are an integral part of the financial statements.

**CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS**

**Clearfield City Corporation**  
**Schedule of General Capital Assets - By Source**  
**June 30, 2018**

	Totals June 30, 2018
<b><u>General Capital Assets</u></b>	
Land	\$ 10,414,313
Water rights	25,200
Buildings	25,191,917
Improvements	4,478,253
Machinery and equipment	7,513,639
Infrastructure	34,037,355
Construction in progress	2,520,044
Total general capital assets	84,180,721
<b><u>Investment in General Capital Assets by Source</u></b>	
General fund	24,107,280
Capital projects funds	54,629,964
Grants	5,443,477
Total investment in general capital assets	\$ 84,180,721

**Clearfield City Corporation**  
**Schedule of General Capital Assets - By Function and Activity**  
**June 30, 2018**

<b>Function and activity</b>	Land	Water Rights	Buildings	Improvements	Machinery and Equipment	Infra-structure	Construction In Progress	Totals
General government								
Executive	\$ -	-	11,876,815	-	125,286	-	-	12,002,101
Justice court	-	-	-	1,988	25,130	-	-	27,118
Information technology	-	-	-	-	1,195,338	-	244,837	1,440,175
Finance and administration	-	-	-	3,091	83,644	-	-	86,735
Building	-	-	-	542,375	205,924	-	-	748,299
Other	7,847,629	25,200	-	-	-	-	46,239	7,919,068
Total general government	<u>7,847,629</u>	<u>25,200</u>	<u>11,876,815</u>	<u>547,454</u>	<u>1,635,322</u>	<u>-</u>	<u>291,076</u>	<u>22,223,496</u>
Community development								
Administration	-	-	-	-	43,016	-	-	43,016
Public safety								
Police	-	-	-	-	509,941	-	-	509,941
Dispatch	-	-	-	45,942	266,266	-	-	312,208
Total public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,942</u>	<u>776,207</u>	<u>-</u>	<u>-</u>	<u>822,149</u>
Highways and public improvements								
Shops	-	-	269,782	-	126,356	-	-	396,138
Streets	-	-	-	229,158	54,644	33,511,873	1,886,918	35,682,593
Total highways and public improvements	<u>-</u>	<u>-</u>	<u>269,782</u>	<u>229,158</u>	<u>181,000</u>	<u>33,511,873</u>	<u>1,886,918</u>	<u>36,078,731</u>
Community services								
Parks	2,566,684	-	815,750	2,268,924	478,006	525,482	342,050	6,996,896
Aquatic center	-	-	12,229,570	1,200,336	291,492	-	-	13,721,398
Recreation	-	-	-	186,439	79,387	-	-	265,826
Total community services	<u>2,566,684</u>	<u>-</u>	<u>13,045,320</u>	<u>3,655,699</u>	<u>848,885</u>	<u>525,482</u>	<u>342,050</u>	<u>20,984,120</u>
Internal service fund - fleet	-	-	-	-	4,029,209	-	-	4,029,209
Total general capital assets	<u>\$ 10,414,313</u>	<u>25,200</u>	<u>25,191,917</u>	<u>4,478,253</u>	<u>7,513,639</u>	<u>34,037,355</u>	<u>2,520,044</u>	<u>84,180,721</u>

**Clearfield City Corporation**  
**Schedule of Changes in General Capital Assets - By Function and Activity**  
**June 30, 2018**

<b><u>Function and Activity</u></b>	General Capital Assets			General Capital Assets
	June 30, 2017	Additions	Deletions	June 30, 2018
General government				
Executive	\$ 12,002,101	-	-	12,002,101
Justice court	27,118	-	-	27,118
Information technology	1,755,552	27,244	342,621	1,440,175
Finance and administration	73,642	13,093	-	86,735
Buildings	490,840	257,459	-	748,299
Other	2,201,072	5,826,592	108,596	7,919,068
Total general government	<u>16,550,325</u>	<u>6,124,388</u>	<u>451,217</u>	<u>22,223,496</u>
Community development				
Administration	45,647	-	2,631	43,016
Public safety				
Police	528,797	-	18,856	509,941
Dispatch	293,455	18,753	-	312,208
Total public safety	<u>822,252</u>	<u>18,753</u>	<u>18,856</u>	<u>822,149</u>
Highways and public improvements				
Shops	404,848	-	8,710	396,138
Streets	34,044,637	1,956,339	318,383	35,682,593
Total highways and public improvements	<u>34,449,485</u>	<u>1,956,339</u>	<u>327,093</u>	<u>36,078,731</u>
Community services				
Parks	6,461,666	827,343	292,113	6,996,896
Aquatic center	13,738,603	51,500	68,705	13,721,398
Recreation	272,700	-	6,874	265,826
Total community services	<u>20,472,969</u>	<u>878,843</u>	<u>367,692</u>	<u>20,984,120</u>
Internal service fund - fleet	3,758,680	375,422	104,893	4,029,209
Total general capital assets	<u>\$ 76,099,358</u>	<u>9,353,745</u>	<u>1,272,382</u>	<u>84,180,721</u>



## **STATISTICAL SECTION**

**Clearfield City Corporation**  
**Statistical Section**  
**June 30, 2018**

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This part of Clearfield City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

**Financial Trends**

Table 1-6

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

**Revenue Capacity**

Table 7-10

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

**Debt Capacity**

Table 11-15

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

**Demographic and Economic Information**

Table 16-17

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

**Operating Information**

Table 18-20

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**Clearfield City Corporation**  
**Table 1 - Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Years									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 11,229,615	10,684,837	12,506,584	13,775,641	12,312,930	13,743,040	13,842,330	17,188,047	17,460,343	19,596,728
Restricted	3,157,193	5,199,538	4,958,333	3,015,238	3,693,214	3,151,603	6,198,871	11,970,081	3,264,609	5,662,767
Unrestricted	1,952,266	896,019	1,730,456	5,697,952	7,698,069	7,956,826	9,622,198	1,171,194	11,871,363	10,347,764
Total governmental activities net position	16,339,074	16,780,394	19,195,373	22,488,831	23,704,213	24,851,469	29,663,399	30,329,322	32,596,315	35,607,259
Business-type activities										
Net investment in capital assets	40,459,590	39,209,218	38,596,646	42,536,944	43,787,842	43,854,192	42,710,692	42,989,995	42,474,017	44,988,425
Restricted	5,236,082	3,078,859	2,616,983	1,712,629	1,982,181	1,856,320	2,166,247	595,525	884,189	727,144
Unrestricted	6,912,041	10,169,423	10,980,894	11,349,674	11,866,408	10,673,362	11,960,596	12,857,867	12,775,204	10,361,768
Total business-type activities net position	52,607,713	52,457,500	52,194,523	55,599,247	57,636,431	56,383,874	56,837,535	56,443,387	56,133,410	56,077,337
Primary government										
Net investment in capital assets	51,689,205	49,894,055	51,103,230	56,312,585	56,100,772	57,597,232	56,553,022	60,178,042	59,934,360	64,585,153
Restricted	8,393,275	8,278,397	7,575,316	4,727,867	5,675,395	5,007,923	8,365,118	12,565,606	4,148,798	6,389,911
Unrestricted	8,864,307	11,065,442	12,711,350	17,047,626	19,564,477	18,630,188	21,582,794	14,029,061	24,646,567	20,709,532
Total primary government net position	\$ 68,946,787	69,237,894	71,389,896	78,088,078	81,340,644	81,235,343	86,500,934	86,772,709	88,729,725	91,684,596

# Clearfield City Corporation

## Table 2 - Changes in Net Position

### Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Years									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,665,323	4,944,458	4,363,191	3,771,942	4,408,533	4,419,080	4,329,895	4,813,376	7,738,481	5,378,484
Public safety	3,640,464	3,789,561	4,038,550	3,893,612	4,298,248	4,258,275	3,957,058	4,173,640	4,442,821	4,325,896
Highways and public improvements	4,004,225	1,363,122	1,204,022	1,407,454	579,064	583,792	558,575	385,530	443,261	669,861
Community services	3,362,671	3,381,382	3,518,420	3,883,509	3,755,723	4,196,122	3,872,112	4,176,153	3,075,324	4,985,491
Community development	843,600	782,623	1,018,528	514,315	534,675	460,111	732,537	4,255,926	737,824	880,389
Interest on long-term debt	1,216,615	1,083,758	1,066,514	974,740	912,002	828,074	720,704	474,319	412,616	397,612
Total governmental activities	<u>17,732,898</u>	<u>15,344,904</u>	<u>15,209,225</u>	<u>14,445,572</u>	<u>14,488,245</u>	<u>14,745,454</u>	<u>14,170,881</u>	<u>18,278,944</u>	<u>16,850,327</u>	<u>16,637,733</u>
Business-type activities:										
Administration	288,567	258,512	280,137	255,994	249,164	258,759	200,901	340,698	337,737	341,628
Water utility	3,203,892	3,022,477	3,270,047	3,369,811	3,079,128	3,325,788	3,287,895	3,526,735	3,316,149	3,182,598
Sewer utility	1,982,423	2,229,146	2,429,889	2,404,677	2,366,004	3,034,977	3,138,422	3,651,194	4,213,793	4,532,916
Waste collection	994,856	1,068,563	1,056,648	1,096,444	1,047,633	1,083,652	1,123,454	1,086,447	1,069,575	1,172,750
Storm drain	774,457	810,427	917,836	900,220	865,544	980,594	1,036,699	1,108,333	1,259,851	1,224,999
Total business-type activities	<u>7,244,195</u>	<u>7,389,125</u>	<u>7,954,557</u>	<u>8,027,146</u>	<u>7,607,473</u>	<u>8,683,770</u>	<u>8,787,371</u>	<u>9,713,407</u>	<u>10,197,105</u>	<u>10,454,891</u>
Total primary government	<u>\$ 24,977,093</u>	<u>22,734,029</u>	<u>23,163,782</u>	<u>22,472,718</u>	<u>22,095,718</u>	<u>23,429,224</u>	<u>22,958,252</u>	<u>27,992,351</u>	<u>27,047,432</u>	<u>27,092,624</u>

**Clearfield City Corporation**

**Table 2 - Changes in Net Position**

**Last Ten Fiscal Years**

**(accrual basis of accounting)**

	Fiscal Years									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 1,682,490	1,506,417	1,533,299	1,521,045	1,293,996	1,185,291	1,300,535	1,595,250	1,832,700	1,486,833
Public safety	1,509,713	1,432,264	1,297,907	1,349,386	1,282,823	1,219,731	1,152,194	1,183,288	1,168,875	1,419,129
Highways and public improvements	44,282	41,797	17,060	22,178	32,414	61,254	129,397	145,018	437,006	53,484
Community services	1,748,047	1,723,027	1,852,665	1,788,547	1,690,649	1,758,678	1,988,549	1,964,858	1,842,692	1,825,028
Operating grants and contributions	1,016,117	966,684	887,377	924,175	883,706	899,337	962,484	1,070,777	1,553,353	1,491,952
Capital grants and contributions	617,100	268,198	1,259,993	293,872	345,019	304,303	167,832	182,451	48,727	-
Total governmental activities	6,617,749	5,938,387	6,848,301	5,899,203	5,528,607	5,428,594	5,700,991	6,141,642	6,883,353	6,276,426
Business-type activities:										
Charges for services										
Administration	119,159	140,935	145,197	156,956	156,063	149,946	154,218	154,715	154,377	171,317
Water utility	2,941,440	2,869,716	3,047,459	3,297,870	3,456,368	3,459,034	3,388,274	3,428,137	3,498,768	3,642,991
Sewer utility	1,934,614	2,101,417	2,156,850	2,267,037	2,493,762	2,757,461	3,243,892	3,619,940	3,999,611	4,471,947
Waste collection	1,208,019	1,215,655	1,216,840	1,223,850	1,230,271	1,239,842	1,257,671	1,365,841	1,408,998	1,413,770
Storm drain	758,345	779,766	800,316	830,130	863,469	894,103	934,516	947,179	978,778	1,021,895
Impact fees	362,931	473,965	177,061	266,464	288,422	280,838	563,245	469,699	291,939	50,124
Capital grants and contributions	-	-	-	290,000	1,461,653	-	-	-	-	-
Total business-type activities	7,324,508	7,581,454	7,543,723	8,332,307	9,950,008	8,781,224	9,541,816	9,985,511	10,332,471	10,772,044
Total primary government	13,942,257	13,519,841	14,392,024	14,231,510	15,478,615	14,209,818	15,242,807	16,127,153	17,215,824	17,048,470
Net (expense)/revenue										
Governmental activities	(11,115,149)	(9,406,517)	(8,360,924)	(8,546,369)	(8,959,638)	(9,316,860)	(8,469,890)	#####	(9,966,974)	#####
Business-type activities	80,313	192,329	(410,834)	305,161	2,342,535	97,454	754,445	272,104	135,366	317,153
Total primary government	\$ (11,034,836)	(9,214,188)	(8,771,758)	(8,241,208)	(6,617,103)	(9,219,406)	(7,715,445)	#####	(9,831,608)	#####

# Clearfield City Corporation

## Table 2 - Changes in Net Position

### Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Years									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Revenue and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 3,760,325	3,582,694	3,549,977	4,976,559	5,249,766	5,200,014	5,543,631	4,738,368	4,083,583	4,327,255
General sales and use tax	3,225,351	2,922,375	3,128,336	3,404,944	3,511,629	3,648,705	3,844,816	3,963,080	4,160,190	4,486,220
Franchise tax	903,058	879,213	833,116	896,961	892,791	888,626	812,423	868,717	879,629	889,489
Energy use tax	1,958,311	1,965,037	2,155,374	2,160,778	2,273,564	2,361,797	2,362,536	2,394,724	2,377,830	2,548,154
Transient room tax	-	8,231	5,927	6,565	5,380	7,139	6,618	7,067	7,411	7,928
Parks and recreation tax	-	-	-	-	-	-	52,389	211,774	223,034	252,762
Interest earnings	130,172	54,125	51,381	62,548	77,621	99,266	116,633	200,323	125,449	122,044
Miscellaneous	5,950	5,450	10,950	11,100	12,300	(67,631)	176,888	9,400	11,750	134,503
Proceeds from settlement	1,350,000	-	775,000	240,000	-	-	-	-	-	-
Transfers	379,611	430,712	506,530	80,372	439,081	559,827	256,838	754,433	594,644	603,896
Loss on sale of land held for sale	-	-	-	-	-	-	-	(414,549)	-	-
Contribution of capital asset	-	-	(240,688)	-	-	-	109,049	69,888	-	-
<b>Total governmental activities</b>	<b>11,712,778</b>	<b>9,847,837</b>	<b>10,775,903</b>	<b>11,839,827</b>	<b>12,462,132</b>	<b>12,697,743</b>	<b>13,281,821</b>	<b>12,803,225</b>	<b>12,463,520</b>	<b>13,372,251</b>
Business-type activities:										
Interest earnings	296,874	86,970	60,988	80,165	84,951	41,848	61,709	151,438	142,763	226,833
Miscellaneous	29,452	1,200	352,711	8,080	48,779	880	3,394	6,631	6,537	3,836
Transfers	(379,611)	(430,712)	(506,530)	(80,372)	(439,081)	(559,827)	(256,838)	(754,433)	(594,644)	(603,896)
Contribution of capital asset	-	-	240,688	3,091,690	-	-	(109,049)	(69,888)	-	-
<b>Total business-type activities</b>	<b>(53,285)</b>	<b>(342,542)</b>	<b>147,857</b>	<b>3,099,563</b>	<b>(305,351)</b>	<b>(517,099)</b>	<b>(300,784)</b>	<b>(666,252)</b>	<b>(445,344)</b>	<b>(373,227)</b>
<b>Total primary government</b>	<b>\$ 11,659,493</b>	<b>9,505,295</b>	<b>10,923,760</b>	<b>14,939,390</b>	<b>12,156,781</b>	<b>12,180,644</b>	<b>12,981,037</b>	<b>12,136,973</b>	<b>12,018,176</b>	<b>12,999,024</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 597,629	441,320	2,414,979	3,293,458	3,502,494	3,380,883	4,811,931	665,923	2,496,546	3,010,944
Business-type activities	27,028	(150,213)	(262,977)	3,404,724	2,037,184	(419,645)	453,661	(394,148)	(309,978)	(56,074)
<b>Total primary government</b>	<b>\$ 624,657</b>	<b>291,107</b>	<b>2,152,002</b>	<b>6,698,182</b>	<b>5,539,678</b>	<b>2,961,238</b>	<b>5,265,592</b>	<b>271,775</b>	<b>2,186,568</b>	<b>2,954,870</b>

**Clearfield City Corporation**  
**Table 3 - Governmental Activities Tax Revenue by Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

General Fiscal Year	General Property Tax	CDRA Tax Increment	Debt Service Property Tax	Sales and Use Tax	Energy Sales & Use Tax	Franchise Tax	Parks and Recreation Tax	Transient Room Tax	Total Tax Revenue
2009	\$ 1,386,700	1,592,494	781,131	3,225,351	1,958,311	903,058	-	-	\$ 9,847,045
2010	1,336,861	1,526,772	719,061	2,922,375	1,965,037	879,213	-	8,231	9,357,550
2011	1,064,353	1,803,431	682,193	3,128,336	2,155,374	833,116	-	5,927	9,672,730
2012	1,519,514	2,367,203	1,089,842	3,404,944	2,160,778	896,961	-	6,565	11,445,807
2013	1,424,107	3,098,449	727,210	3,511,629	2,273,564	892,791	-	5,380	11,933,130
2014	1,364,045	3,042,856	793,113	3,648,705	2,361,797	888,626	-	7,139	12,106,281
2015	1,605,880	2,843,634	1,094,117	3,844,816	2,362,536	812,423	52,389	6,618	12,622,413
2016	1,559,519	2,418,339	760,510	3,963,080	2,394,724	868,717	211,774	7,067	12,183,730
2017	1,906,169	1,391,019	786,395	4,160,190	2,377,830	879,629	223,034	7,411	11,731,677
2018	2,007,258	1,492,549	827,448	4,486,220	2,548,154	889,489	252,762	7,928	12,511,808

**Clearfield City Corporation**  
**Table 4 - Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Years									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Nonspendable	\$ 80,885	287,123	47,220	61,907	80,285	150,117	157,836	104,949	230,532	167,162
Restricted	1,297,551	1,531,770	1,658,586	1,574,563	1,490,318	1,428,739	1,612,349	11,059,160	1,900,229	4,142,696
Committed	-	899,687	595,334	514,529	1,232,272	1,340,742	1,476,747	184,731	585,125	161,807
Assigned	-	40,787	36,795	56,779	98,408	-	-	-	33,351	28,024
Unassigned	2,931,551	1,572,607	2,309,607	4,172,083	3,798,077	3,802,746	3,461,664	5,908,388	5,470,360	6,626,368
<b>Total general fund</b>	<b>\$ 4,309,987</b>	<b>4,331,974</b>	<b>4,647,542</b>	<b>6,379,861</b>	<b>6,699,360</b>	<b>6,722,344</b>	<b>6,708,596</b>	<b>17,257,228</b>	<b>8,219,597</b>	<b>11,126,057</b>
All other governmental funds										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted for:										
Debt service funds	393,285	386,768	385,647	140,597	-	89,858	95,341	30,528	83,843	187,864
Capital projects funds	152,409	957,080	892,086	355,876	85,606	152,532	212,504	415,496	829,386	863,193
Special revenue funds	1,167,271	708,964	708,964	709,004	1,863,714	1,134,148	3,914,777	246,473	246,473	246,473
Cemetery perpetual care	116,889	153,104	138,922	173,291	173,291	196,209	206,064	218,424	204,678	222,541
Committed	-	275,042	531,574	406,011	454,059	835,201	183,733	1,081,689	1,538,000	504,072
Assigned, reported in:										
Capital projects funds	918,798	146,036	181,775	156,645	1,178,595	489,406	1,506,826	875,594	972,985	826,052
Special revenue funds	-	-	-	1,263,136	1,799,424	4,512,051	3,466,835	4,392,526	5,122,086	4,595,470
Debt service funds	801	-	-	-	-	-	-	-	-	-
Cemetery perpetual care	29,788	-	-	-	-	-	-	-	-	-
Unassigned, reported in:										
Capital projects funds	-	-	-	-	-	(36,342)	-	-	-	-
Special revenue funds	(189,697)	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 2,589,544</b>	<b>2,626,994</b>	<b>2,838,968</b>	<b>3,204,560</b>	<b>5,554,689</b>	<b>7,373,063</b>	<b>9,586,080</b>	<b>7,260,730</b>	<b>8,997,451</b>	<b>7,445,665</b>
General fund balance unrestricted										
% of total revenue for current year	21.77%	19.08%	21.04%	32.78%	37.80%	37.82%	35.58%	41.04%	38.06%	41.39%

Note: Information on committed and assigned fund balances not available prior to 2010 when the City implemented GASB Statement 54.



# Clearfield City Corporation

## Table 5 - Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Years									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b><u>Revenues</u></b>										
Taxes	\$ 9,847,045	9,357,550	9,672,730	11,445,807	11,933,130	12,106,281	12,622,413	12,183,730	11,731,677	12,511,808
Rents and other services	1,276,766	1,080,221	1,154,622	1,148,197	890,085	799,995	773,646	1,128,700	1,038,067	1,091,025
Intergovernmental	1,022,067	1,240,332	2,158,320	1,229,147	1,241,025	1,210,825	1,482,186	1,454,828	1,667,830	1,507,252
Charges for services	2,648,675	2,626,047	2,688,744	2,651,439	2,557,761	2,626,777	2,616,847	2,713,793	2,971,280	2,873,823
Impact fees	44,282	41,797	17,060	22,178	32,414	61,254	129,397	145,018	437,006	53,484
Fines and forfeitures	1,009,685	940,385	824,050	836,329	777,396	700,060	633,352	654,509	660,669	750,842
Interest and investment income	110,526	30,725	27,981	49,530	54,221	75,866	98,338	133,989	148,683	145,263
Miscellaneous revenue	10,116	14,104	14,100	19,849	23,437	20,325	59,154	20,201	93,479	119,448
Total revenues	<u>15,969,162</u>	<u>15,331,161</u>	<u>16,557,607</u>	<u>17,402,476</u>	<u>17,509,469</u>	<u>17,601,383</u>	<u>18,415,333</u>	<u>18,434,768</u>	<u>18,748,691</u>	<u>19,052,945</u>
<b><u>Expenditures</u></b>										
<b>Current</b>										
General government	4,042,501	4,416,391	4,468,769	3,791,141	4,066,466	3,865,151	3,745,404	4,105,100	6,522,367	4,686,401
Public safety	3,660,749	3,932,189	4,212,321	3,894,202	4,223,155	4,182,267	3,985,536	4,201,941	4,449,426	4,329,030
Highways and public improv.	799,811	1,022,875	433,557	535,484	435,336	419,032	400,535	322,279	483,448	435,129
Community services	3,005,011	2,964,755	3,157,436	3,418,717	3,435,059	3,735,613	3,510,477	3,839,258	4,270,133	4,499,369
Community development	843,600	782,623	1,018,528	514,315	534,675	534,927	568,389	4,258,803	738,918	5,660,679
Capital outlay	2,132,164	2,151,643	452,680	1,140,023	426,296	1,018,145	2,066,651	624,404	904,848	3,616,416
<b>Debt service</b>										
Principal retirement	1,442,039	1,677,281	2,513,348	1,757,000	1,618,000	1,680,000	1,670,000	1,735,000	1,811,000	1,929,000
Interest and fiscal charges	1,219,625	1,071,084	1,057,949	978,676	914,058	853,556	700,789	633,120	555,269	377,716
Cost of issuance	-	99,910	-	-	-	-	87,985	116,206	-	45,500
Total expenditures	<u>17,145,500</u>	<u>18,118,751</u>	<u>17,314,588</u>	<u>16,029,558</u>	<u>15,653,045</u>	<u>16,288,691</u>	<u>16,735,766</u>	<u>19,836,111</u>	<u>19,735,409</u>	<u>25,579,240</u>
Excess (deficiency) revenues over (under) expenditures	<u>\$ (1,176,338)</u>	<u>(2,787,590)</u>	<u>\$ (756,981)</u>	<u>1,372,918</u>	<u>1,856,424</u>	<u>1,312,692</u>	<u>1,679,567</u>	<u>(1,401,343)</u>	<u>(986,718)</u>	<u>(6,526,295)</u>

**Clearfield City Corporation**

**Table 5 - Changes in Fund Balances of Governmental Funds**

**Last Ten Fiscal Years**

**(modified accrual basis of accounting)**

	Fiscal Years									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Other Financing Sources (Uses)</b>										
Issuance of bonds payable	\$ -	2,223,000	-	-	-	-	-	-	-	7,277,076
Issuance of refunding bonds	-	2,210,000	-	-	-	-	5,465,000	9,592,000	-	-
Payment to refunding bonds escrows	-	(2,223,000)	-	-	-	-	(5,719,513)	-	(9,340,000)	-
Premium on bond issuance	-	33,794	-	-	-	-	342,498	-	-	-
Issuance of capital lease	-	-	-	-	-	-	-	-	2,423,270	-
Proceeds from sale of capital assets	-	172,521	2,626	404,621	8,057	(31,161)	174,878	13,623	7,894	-
Loss on sale of land held for sale	-	-	-	-	-	-	-	(414,549)	-	-
Proceeds from settlement	1,350,000	-	775,000	240,000	-	-	-	-	-	-
Transfers in	1,723,293	2,138,659	1,886,154	1,707,868	2,824,234	2,648,906	3,429,716	2,534,462	3,116,618	2,924,767
Transfers (out)	(1,344,390)	(1,707,947)	(1,379,257)	(1,627,496)	(2,385,153)	(2,089,079)	(3,172,877)	(2,100,911)	(2,521,974)	(2,320,873)
Total other financing sources	<u>1,728,903</u>	<u>2,847,027</u>	<u>1,284,523</u>	<u>724,993</u>	<u>447,138</u>	<u>528,666</u>	<u>519,702</u>	<u>9,624,625</u>	<u>(6,314,192)</u>	<u>7,880,970</u>
Net change in fund balances	552,565	59,437	527,542	2,097,911	2,303,562	1,841,358	2,199,269	8,223,282	(7,300,910)	1,354,675
Fund balances - beginning of year	6,346,966	6,899,531	6,958,968	7,486,510	9,950,487	12,254,049	14,095,407	16,294,676	24,517,958	17,217,047
Fund balances - end of year	<u>\$ 6,899,531</u>	<u>6,958,968</u>	<u>7,486,510</u>	<u>9,584,421</u>	<u>12,254,049</u>	<u>14,095,407</u>	<u>16,294,676</u>	<u>24,517,958</u>	<u>17,217,048</u>	<u>18,571,722</u>
Debt service as a percentage of noncapital expenditures	15.90%	17.60%	22.42%	18.63%	16.90%	16.40%	16.05%	12.54%	13.54%	13.37%

**Clearfield City Corporation**  
**Table 6 - Governmental Activities Tax Revenue by Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

General Fiscal Year	General Property Tax	CDRA Tax Increment	Debt Service Property Tax	Sales and Use Tax	Energy Sales & Use Tax	Franchise Tax	Parks and Recreation Tax	Transient Room Tax	Total Tax Revenue
2009	\$ 1,386,700	\$ 1,592,494	\$ 781,131	\$ 3,225,351	\$ 1,958,311	\$ 903,058	\$ -	\$ -	\$ 9,847,045
2010	1,336,861	1,526,772	719,061	2,922,375	1,965,037	879,213	-	8,231	9,357,550
2011	1,064,353	1,803,431	682,193	3,128,336	2,155,374	833,116	-	5,927	9,672,730
2012	1,519,514	2,367,203	1,089,842	3,404,944	2,160,778	896,961	-	6,565	11,445,807
2013	1,424,107	3,098,449	727,210	3,511,629	2,273,564	892,791	-	5,380	11,933,130
2014	1,364,045	3,042,856	793,113	3,648,705	2,361,797	888,626	-	7,139	12,106,281
2015	1,605,880	2,843,634	1,094,117	3,844,816	2,362,536	812,423	52,389	6,618	12,622,413
2016	1,559,519	2,418,339	760,510	3,963,080	2,394,724	868,717	211,774	7,067	12,183,730
2017	1,906,169	1,391,019	786,395	4,160,190	2,377,830	879,629	223,034	7,411	11,731,677
2018	2,007,258	1,492,549	827,448	4,486,220	2,548,154	889,489	252,762	7,928	12,511,808

**Clearfield City Corporation**  
**Table 7 - Taxable and Estimated**  
**Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Last Ten Fiscal Years							
Fiscal Year	Real Property			Taxable Value (in thousands)	Total Direct Tax Rate	Estimated Actual Value (in thousands)	Ratio of Taxable to Estimated Actual Value
	Residential Property (in thousands)	Commercial Property (in thousands)	Personal Property (in thousands)				
2008-09	\$ 556,255	\$ 529,723	\$ 226,953	\$ 1,312,931	0.001548	\$ 1,821,260	72.1%
2009-10	603,241	451,475	235,125	1,289,841	0.001572	1,805,471	71.4%
2010-11	541,143	612,511	215,698	1,369,352	0.001548	1,973,404	69.4%
2011-12	507,329	569,874	240,900	1,318,103	0.001800	1,776,931	74.2%
2012-13	530,775	493,899	267,077	1,291,751	0.001800	1,719,166	75.1%
2013-14	539,807	518,593	283,013	1,341,413	0.001800	1,776,035	75.5%
2014-15	597,272	525,565	318,908	1,441,745	0.001800	1,925,723	74.9%
2015-16	612,132	538,133	340,321	1,490,586	0.001800	1,987,969	75.0%
2016-17	667,772	553,341	344,355	1,565,468	0.001745	1,761,803	88.9%
2017-18	737,490	569,114	344,260	1,650,864	0.001607	1,903,767	86.7%

Sources: Davis County Auditor's Office  
Utah State Tax Commission

**Clearfield City Corporation**  
**Table 8 - Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

Fiscal Year	Overlapping Rates										
	Clearfield City			Davis County School			Davis County			Total	
	Operating Rates	Debt Service Rates	Total City Rates	Operating Rates	Debt Service Rates	Total County School Rates	Operating Rates	Debt Service Rates	Total County Rates	Total Special Districts	Levy for Clearfield City
2009	0.0952%	0.0596%	0.1548%	0.4547%	0.2571%	0.7118%	0.1739%	0.0126%	0.1865%	0.2586%	1.3117%
2010	0.0871%	0.0677%	0.1548%	0.5289%	0.2571%	0.7860%	0.1817%	0.0128%	0.1945%	0.2679%	1.4032%
2011	0.1009%	0.0791%	0.1800%	0.6290%	0.2571%	0.8861%	0.1960%	0.0137%	0.2097%	0.2957%	1.5715%
2012	0.1093%	0.0707%	0.1800%	0.6370%	0.2571%	0.8941%	0.1977%	0.0131%	0.2108%	0.3176%	1.6025%
2013	0.1100%	0.0700%	0.1800%	0.6139%	0.2571%	0.8710%	0.1935%	0.0126%	0.2061%	0.3171%	1.5742%
2014	0.1037%	0.0763%	0.1800%	0.5688%	0.2571%	0.8259%	0.1797%	0.0114%	0.1911%	0.3088%	1.5058%
2015	0.1178%	0.0622%	0.1800%	0.5984%	0.2571%	0.8555%	0.1795%	0.0110%	0.1905%	0.3005%	1.5265%
2016	0.1235%	0.0565%	0.1800%	0.5554%	0.2571%	0.8125%	0.1703%	0.0076%	0.1779%	0.2852%	1.4556%
2017	0.1204%	0.0541%	0.1745%	0.5004%	0.2571%	0.7575%	0.1924%	0.0069%	0.1993%	0.2788%	1.4101%
2018	0.1112%	0.0495%	0.1607%	0.5132%	0.2569%	0.7701%	0.1782%	0.0062%	0.1844%	0.2706%	1.3858%

Source: Davis County Auditor's Office

Percentages are applied to the taxable value of property as stated.

**Clearfield City Corporation**  
**Table 9 - Principal Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	2018			2009		
	Taxable Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Value	Rank	Percentage of Total Taxable Assessed Value
Freeport Center Associates	180,541,400	1	11.02%	160,038,928	1	11.84%
ATK Aerospace	161,462,657	2	9.85%	48,693,325	2	3.60%
Lifetime Products	57,086,057	3	3.48%	44,174,296	3	3.27%
USA, Northrop Grumman	46,826,726	4	2.86%			
Pacific Corp	28,248,019	5	1.72%			
Union Pacific Railroad Co.	24,302,742	6	1.48%			
Utility Trailer	21,129,019	7	1.29%	20,673,923	5	1.53%
Belleuu, Wayne	18,319,928	8	1.12%	30,873,033	4	2.28%
HRA Mountain View Owner LLC	18,238,001	9	1.11%			
K & M Two	16,965,270	10	1.04%	15,210,124	9	1.12%
Prologis First Us Properties, LP				17,545,733	6	1.30%
BG Properties Clearfield, LLC				17,383,290	7	1.29%
Qwest Communications				16,239,445	8	1.20%
Honeywell International				11,055,805	10	0.82%
	<u>\$ 573,119,819</u>			<u>\$ 381,887,902</u>		

Sources: Davis County Assessor's Office  
Davis County Auditor's Office

**Clearfield City Corporation**  
**Table 10 - Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2008-09	\$ 1,908,163	\$ 1,780,102	93.29%	\$ 128,061	\$ 1,908,163	100.00%
2009-10	1,885,303	1,748,134	92.72%	137,169	1,885,303	100.00%
2010-11	2,024,290	1,810,238	89.43%	214,052	2,024,290	100.00%
2011-12	2,170,606	1,995,065	91.91%	175,541	2,170,606	100.00%
2012-13	2,026,140	1,793,649	88.53%	232,416	2,026,065	100.00%
2013-14	2,176,638	1,972,289	90.61%	204,263	2,176,552	100.00%
2014-15	1,982,032	1,941,245	97.94%	38,918	1,980,163	99.91%
2015-16	2,137,367	2,106,758	98.57%	27,199	2,133,957	99.84%
2016-17	2,335,250	2,322,059	99.44%	5,846	2,327,905	99.69%
2017-18	2,333,217	2,320,026	99.43%	-	2,320,026	99.43%

Source: Davis County Auditor's Office

# Clearfield City Corporation

## Table 11 - Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds	Capital Leases			
2008-09	\$ 10,147,052	\$ 16,184,822	\$ 461,629	\$ -	\$2,940,224	\$ -	\$ 29,733,727	0.29%	\$ 1,047.85
2009-10	9,469,138	17,128,221	234,348	-	2,723,201	-	29,554,908	0.28%	1,019.06
2010-11	8,766,224	15,499,826	30,000	-	2,496,178	-	26,792,228	0.24%	889.75
2011-12	8,038,310	14,478,431	-	-	2,259,155	-	24,775,896	0.21%	822.79
2012-13	7,285,396	13,591,036	-	-	2,012,132	-	22,888,564	0.19%	760.11
2013-14	6,497,482	12,676,644	-	-	1,755,109	-	20,929,235	0.17%	689.01
2014-15	6,022,484	11,891,646	-	-	1,486,063	-	19,400,193	0.16%	636.41
2015-16	4,683,332	20,664,861	-	-	1,211,063	-	26,559,256	0.21%	866.45
2016-17	3,666,249	10,469,468	-	2,350,625	926,063	-	17,412,405	0.12%	564.33
2017-18	2,634,166	16,788,136	-	2,201,012	629,040	-	22,252,354	0.16%	709.51

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. See table 16 for personal income and population data.



**Clearfield City Corporation**  
**Table 12 - Ratio of General Bonded Debt**  
**and Net General Bonded Debt Per Capita**  
**Last Ten Fiscal Years**

Fiscal Year	Estimated Population	Actual Taxable Value of Property (in thousands)	Gross Obligation Bonds	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2009	28,376	1,312,931	\$ 10,147,053	1,176,443	\$ 8,970,610	0.68%	\$ 316.13
2010	29,002	1,289,841	9,469,139	1,276,996	8,192,143	0.64%	282.47
2011	30,112	1,369,352	8,766,225	1,380,978	7,385,247	0.54%	245.26
2012	30,112	1,318,103	8,038,310	1,150,811	6,887,499	0.52%	228.73
2013	30,112	1,291,751	7,285,396	1,017,826	6,267,570	0.49%	208.14
2014	30,376	1,341,413	6,497,481	1,124,461	5,373,020	0.40%	176.88
2015	30,484	1,441,745	5,754,983	1,141,957	4,613,026	0.32%	151.33
2016	30,653	1,490,586	4,683,332	10,579,118	(5,895,786)	-0.40%	(192.34)
2017	30,855	1,565,468	3,666,249	1,248,543	2,417,706	0.15%	78.36
2018	31,363	1,903,767	2,634,166	3,738,230	(1,104,064)	-0.06%	(35.20)

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. General Obligation Bonds are net of discounts and premiums.

## Clearfield City Corporation

### Table 13 - Direct and Overlapping Governmental Activities Debt

<u>Name of Governmental Unit</u>	2017 Taxable Value	City's Estimated Portion of Taxable Value	Percent Applicable to Clearfield ( C )	Net Outstanding Debt (1)	Amount Applicable to Clearfield
State of Utah	\$ 258,702,348,415	1,718,065,965	0.66%	\$ 2,053,720,000	\$ 13,638,942
Davis County School District	22,672,175,135	1,718,065,965	7.58%	504,580,000	38,236,372
Davis County	22,663,164,649	1,718,065,965	7.58%	13,297,606	1,008,075
Weber Basin Water Conservancy District	56,578,614,675	1,718,065,965	3.04%	18,618,938	565,383
North Davis County Sewer District	11,123,520,030	1,718,065,965	15.45%	23,755,000	<u>3,669,042</u>
Total overlapping debt					57,117,813
Clearfield City - direct	1,718,065,965	1,718,065,965	100.00%	19,422,302	<u>19,422,302</u>
Total direct and overlapping					<u>\$ 76,540,115</u>

1) Source: Davis County Auditor's Office

Includes general bonded debt only.

Note A: The State of Utah general obligation debt is not included in the debt ratios because the State of Utah currently levies no *ad valorem* tax for payment of general obligation bonds.

Note B: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Note C: For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

**Clearfield City Corporation**  
**Table 14 - Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$40,446,240	40,117,640	44,438,200	52,724,120	51,670,040	53,656,520	57,669,800	59,623,440	62,618,720	66,034,560
Total net debt applicable to limit	9,950,000	9,290,000	8,605,000	7,895,000	7,160,000	6,390,000	5,380,000	4,455,000	3,495,000	2,520,000
Legal debt margin	<u>\$30,496,240</u>	<u>30,827,640</u>	<u>35,833,200</u>	<u>44,829,120</u>	<u>44,510,040</u>	<u>47,266,520</u>	<u>52,289,800</u>	<u>55,168,440</u>	<u>59,123,720</u>	<u>63,514,560</u>
Total net debt applicable to the limit as a percentage of debt limit	24.60%	23.16%	19.36%	14.97%	13.86%	11.91%	9.33%	7.47%	5.58%	3.82%

**Legal Debt Margin Calculation for Fiscal Year 2018**

Total Assessed Actual Value	<u>\$ 1,650,864,000</u>
Debt limit - 4% of total actual value	66,034,560
Total amount of debt applicable to debt limit	<u>(2,520,000)</u>
Legal debt margin	<u>\$ 63,514,560</u>

Note: Under State Finance Law, the City's outstanding general obligation debt should not exceed 4% of total assessed property value.

**Clearfield City Corporation**  
**Table 15 - Revenue Bond Coverage**  
**Last Ten Fiscal Years**

**Water Revenue Bonds**

Fiscal Year	Water Utility Revenue	Operating Transfers	Expenses Net of Interest	Net Revenue Available For Debt Service	Principal	Interest	Total	Coverage
2009	\$ 3,325,823	\$ (300,297)	\$ 2,232,092	\$ 793,434	\$ 205,000	\$ 125,997	\$ 330,997	2.40
2010	3,120,066	(268,716)	2,121,434	729,916	215,000	113,343	328,343	2.22
2011	3,271,021	(316,147)	2,371,338	583,536	225,000	104,677	329,677	1.77
2012	4,540,679	(122,898)	2,258,569	2,159,212	235,000	97,633	332,633	6.49
2013	3,628,948	(263,711)	2,198,163	1,167,074	245,000	88,167	333,167	3.50
2014	3,605,224	(356,677)	2,316,351	932,196	255,000	78,300	333,300	2.80
2015	3,659,779	(187,857)	2,288,528	1,183,394	265,000	68,043	333,043	3.55
2016	3,737,691	(977,336)	2,562,991	197,364	275,000	59,200	334,200	0.59
2017	3,516,981	(374,188)	2,216,641	926,152	285,000	46,300	331,300	2.80
2018	3,752,705	(365,456)	2,252,033	1,135,216	295,000	34,834	329,834	3.44

**Clearfield City Corporation**  
**Table 16 - Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	Population	Personal Income (Amounts Expressed In Thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate (%)
2009	28,376	\$ 10,163,623	\$ 33,658	24.0	5,565	8.9
2010	29,002	10,371,357	33,698	24.0	5,713	9.8
2011	30,112	11,142,032	35,733	25.8	5,700	8.5
2012	30,112	11,908,635	37,712	25.8	5,625	7.4
2013	30,112	12,359,481	38,372	25.8	5,605	7.7
2014	30,376	12,359,481	38,372	25.8	5,725	7.0
2015	30,484	12,359,481	38,372	25.8	5,659	3.8
2016	30,653	12,782,159	38,770	25.8	5,645	3.3
2017	30,855	14,149,468	41,339	25.8	5,613	3.4
2018	31,363	14,149,468	41,339	25.8	5,514	3.1

Data Sources:

Population: Davis County Department of Community & Economic Development

Personal Income: US Bureau of Economic Analysis

Per Capital Personal Income: US Bureau of Economic Analysis

Median Age: Estimated based on 2000/2010 United States Census Information

School Enrollment: Davis County School District

Unemployment Rate: US Department of Labor, Local Area Unemployment Statistics

Note: Personal income information and per capita information are totals for the year and based on totals for Davis County in its entirety. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

## Clearfield City Corporation

### Table 17 - Principal Employers

**Current Year and Nine Years Ago**

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Department of Defense	23,000	1	62.00%	19300	1	58%
Lifetime Products	1,612	2	0.06%	1600	2	0.05%
ATK Space Systems Inc.	1,227	3	0.05%	836	4	0.04%
Utility Trailer Man	800	4	0.04%	614	6	0.03%
AAA Member Service Center, INC	600	5	0.03%			
Futura Industries	383	6	0.01%			
Pioneer Adult Rehabilitation Center	350	7	0.01%			
Clearfield Job Corp	348	8	0.01%	424	9	0.01%
Malnove	141	9	0.00%			
Americold Logistics	68	10	0.00%			
Northrop Grunmman				690	5	0.02%
L-3 Communications				1500	3	0.04%
ICON Health & Fitness				464	7	0.02%
Davis School District				430	8	0.01%
TelePerformance USA				300	10	0.00%

Source: [www.jobs.utah.gov-jobseekers-firmfind-largest-companies-Davis County-download Clearfield City Business License Division - Total Employees claimed on business licenses & top employers](http://www.jobs.utah.gov-jobseekers-firmfind-largest-companies-Davis-County-download-Clearfield-City-Business-License-Division-Total-Employees-claimed-on-business-licenses-&-top-employers). Note: Business License report does not include exempt agencies and employees of Department of Defense: <http://greaterogden.home.att.net/hillafb.html>

**Clearfield City Corporation**  
**Table 18 - Full-time City Government Employees By Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General government										
Judicial	3	3	4	4	4	4	4	4	4	4
Legal	2	2	2	2	2	2	3	3	3	3
Executive	4	4	4	4	4	4	4	4	4	4
Finance	5	5	5	5	5	4	3	3	4	4
Customer service center	-	-	-	-	-	-	-	-	5	6
Buildings & plants	2	2	2	2	2	2	2	2	2	2
Planning & zoning	2	2	1	1	1	1	1	1	1	1
Human resources	2	2	2	2	2	2	2	2	2	2
Information technology	2	2	2	2	3	3	1	1	2	2
Public safety										
Police administration	7	7	7	7	7	7	7	7	5	5
Patrol & investigations	28	29	28	28	28	28	24	22	24	27
Liquor	1	1	1	1	1	1	1	1	1	-
Dispatch/emergency services	9	9	9	9	8	8	8	8	8	8
Code enforcement	-	-	-	2	2	2	2	2	2	-
Public works										
Public works administration	3	3	3	2	2	2	1	2	2	3
Shops	4	4	4	3	2	2	2	2	2	2
Roadways	2	2	2	2	2	2	2	3	2	2
Community services										
Administration	2	2	2	2	2	2	2	3	2	2
Parks	6	6	6	5	5	5	5	6	6	6
Recreation	2	2	2	2	2	3	3	4	3	3
Aquatic Center	6	7	10	7	7	7	7	7	7	5
Community development										
Community & economic										
Development administration	1	1	1	1	1	1	1	1	1	1
CDBG	1	1	1	1	1	1	1	1	1	-
Inspections	2	2	2	1	1	1	1	1	1	1
Permitting	-	-	-	-	1	1	1	1	-	-
Enterprise funds										
Utility administration	4	4	5	3	3	3	3	3	1	-
Water	6	6	8	5	5	5	5	4	4	4
Sewer	3	4	3	3	3	3	3	3	4	4
Storm sewer	1	1	1	1	1	1	1	1	1	1
<b>Total employees</b>	<u>110</u>	<u>113</u>	<u>117</u>	<u>107</u>	<u>107</u>	<u>107</u>	<u>100</u>	<u>102</u>	<u>104</u>	<u>102</u>

Data source: Clearfield City Human Resource Department

**Clearfield City Corporation**  
**Table 19 - Operating Indicators by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Police</b>										
Incidents	16,832	15,609	16,876	17,654	17,015	14,925	15,792	15,125	13,704	14,279
Parking violations	560	525	1,015	725	634	-	196	69	5	449
Youth court cases	12	-	-	-	-	-	-	-	-	-
Traffic violations	10,042	10,026	4,389	9,255	7,700	9,233	7,018	6,376	7,035	8,296
<b>Highways and streets</b>										
Street resurfacing	-	27	4	3	3	3	3	-	17	3
<b>Recreation</b>										
Units of service	177,400	177,082	193,304	189,734	-	-	192,563	163,491	***	***
Aquatic center admissions	83,896	82,079	100,665	99,328	90,359	90,359	93,569	124,872	119,367	118,262
<b>Public works</b>										
Building permits issued	307	339	245	233	226	221	326	363	504	450
<b>Water</b>										
New connections	53	55	51	51	51	51	51	63	58	15
Water main breaks	-	7	-	-	-	-	47	38	25	30
Utility customers	6,573	6,564	6,578	7,025	6,705	6,886	6,545	6,558	6,821	6,891
Average daily consumption										
Commercial	2,660,085	1,224,436	1,345,822	1,490,129	1,481,288	1,665,795	1,460,795	1,282,910	1,187,043	1,348,386
Residential	3,233,000	2,835,066	2,982,874	3,260,901	3,497,022	3,491,011	3,470,511	2,865,912	3,069,460	3,241,416

Data source: Clearfield City Public Safety, Public Works, Community Services, and Finance Departments.

\*\*\* We will no longer be tracking units of service due to the change in software



**Clearfield City Corporation**  
**Table 20 - Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Highways and streets										
Streets (miles)	78.2	78.2	78.2	78.23	78.23	78.23	85.90	85.90	85.90	85.90
Streetlights	1,176	1,180	1,182	1,183	1,183	1,183	1,183	1,183	1,188	1,330
Recreation										
Parks acreage	81.456	81.456	81.456	81.456	81.456	81.456	90.400	90.400	90.900	90.900
Parks	12	12	12	12	12	12	14	14	14	14
Soccer fields	3	3	3	3	3	3	6	6	6	6
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	5	5	5	5	5	5	5	5	5	5
Skate parks	1	1	1	1	1	1	1	1	1	1
Boweries	5	5	5	5	5	5	5	5	5	5
Softball/baseball diamonds	10	10	10	10	10	10	10	10	10	10
Community centers	2	2	1	1	1	1	1	1	1	1
Trails	1	2	2	2	2	2	3	3	3	3
Water										
Water mains (miles)	114.00	114.40	114.40	114.50	114.50	115.00	115.60	115.60	115.90	116.00
Fire hydrants	1,300	1,303	1,303	1,308	1,308	1,310	1,310	1,312	1,321	1,321
Sewer										
Sanitary sewers (miles)	73.00	73.00	73.00	73.25	73.25	73.25	84.20	84.20	86.40	86.40
Storm sewers (miles)	68.00	68.00	70.25	71.00	71.00	71.25	71.25	72.90	73.30	73.70

Data source: Clearfield City Public Safety, Public Works, Community Services, and Finance Departments.

## **OTHER REPORTS**

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

The Honorable Mayor & Members of the City Council  
Clearfield City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clearfield City Corporation, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Clearfield City Corporation's basic financial statements and have issued our report thereon dated November 15, 2018.

Internal Control Over Financial Reporting

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

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

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clearfield City Corporation'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Clearfield City Corporation in a separate letter dated November 15, 2018.

### 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.

*Ulrich & Associates, P.C.*

Ogden, UT

November 15, 2018

**INDEPENDENT AUDITORS' REPORT IN ACCORDANCE  
WITH THE *STATE COMPLIANCE AUDIT GUIDE* ON:  
- COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS  
- INTERNAL CONTROL OVER COMPLIANCE**

Honorable Mayor and Members of City Council Clearfield City  
Clearfield City, Utah

**Report On Compliance with General State Compliance Requirements**

We have audited Clearfield City Corporation's compliance with the applicable general state compliance requirements described in the State Compliance Audit Guide, issued by the Office of the Utah State Auditor, that could have a direct and material effect on Clearfield City Corporation for the year ended June 30, 2018.

General state compliance requirements were tested for the year ended June 30, 2018 in the following areas:

Budgetary Compliance  
Fund Balance  
Justice Courts  
Utah Retirement Systems  
Restricted Taxes and Related Revenues  
Open and Public Meetings Act  
Public Treasurer's Bond  
Enterprise Fund Transfers, Reimbursements, Loans, and Services

***Management's Responsibility***

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

### ***Auditors' Responsibility***

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

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements. However, our audit does not provide a legal determination of Clearfield City Corporation's compliance.

### ***Opinion on General State Compliance Requirements***

In our opinion, Clearfield City Corporation, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Clearfield City Corporation for the year ended June 30, 2018.

### ***Other Matters***

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in the accompanying schedule of findings and recommendations. Our opinion on compliance is not modified with respect to these matters.

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

## **Report On Internal Control Over Compliance**

Management of Clearfield City Corporation is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered Clearfield City Corporation's internal control over compliance with the compliance requirements that could have a direct and material effect on Clearfield City Corporation to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Clearfield City Corporation's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general 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 general 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 general state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

*Ulrich & Associates, P.C.*

Ogden, Utah  
November 15, 2018



**Clearfield City Corporation**  
**State Legal Compliance - Schedule of Findings**  
**For the Year Ended June 30, 2018**

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Statement of Condition - 2018-1

*Fund Balance:* Unrestricted fund balance in the General Fund exceeds 25% of the total current year revenues by \$2,699,341.

Criteria

State Law requires that general fund balance does not exceed 25% for cities or 75% for towns of the total revenue of the general fund for the fiscal year under audit under Utah Code 10-6-115(2).

Cause

Because the City has not completely used the excess fund balance for designated projects, the general fund is over legal requirements. This was a finding in prior years.

Effect

The City is not in compliance with fund balance requirements.

Recommendation

We recommend that the City review the unreserved fund balance and plan the coming years expenditures accordingly.

Response

The City plans on utilizing the funds to aid in the many infrastructure projects throughout the City. The City Council appropriated \$1.5 million of the excess during the original budget process for fiscal year ending 2019. Additional projects are under consideration and will be added to future budget amendments.

**Clearfield City Corporation**  
**State Legal Compliance - Schedule of Findings**  
**For the Year Ended June 30, 2018**

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**Prior Year Findings**

Statement of Condition - 2017-1

*Fund Balance:* Unrestricted fund balance in the General Fund exceeds 25% of the total current year revenues by \$2,089,321.

Criteria

State Law requires that general fund balance does not exceed 25% for cities or 75% for towns of the total revenue of the general fund for the fiscal year under audit under Utah Code 10-6-115(2).

Cause

Because the City has not completely used the excess fund balance for designated projects, the general fund is over legal requirements. This was a finding in prior years.

Effect

The City is not in compliance with fund balance requirements.

Recommendation

We recommend that the City review the unreserved fund balance and plan the coming years

Response

The City plans on utilizing the funds to aid in the many infrastructure projects throughout the City. The City Council appropriated \$1.7 million of the excess during the original budget process for fiscal year ending 2018. The City Council amended the fiscal year ending 2018 budget by adding an additional \$95,000. Additional projects are under consideration and will be added to future budget amendments.

Status

Uncorrected