Comprehensive Annual Financial Report

Clearfield City

we've got it made

Clearfield City Corporation
Clearfield, Utah

Fiscal Year Ended
June 30, 2012

Comprehensive Annual Financial Report

of

CLEARFIELD CITY CORPORATION
Clearfield, Utah

For the Year Ended June 30, 2012

Adam Lenhard, City Manager
Robert Wylie, Administrative Services Director
Steven M. Guy, City Treasurer

Clearfield City Corporation

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INTRODUCTORY SECTION

Administrative Services
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Fax: 801.525.2864

Clearfield City
we've got it made

November 9, 2012

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

It is my pleasure to present the 2012 Comprehensive Annual Financial Report (CAFR) of Clearfield City for the fiscal year ended June 30, 2012.

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 is hereby issued and submitted to you for the fiscal year ended June 30, 2012, in accordance with these requirements.

The government-wide financial statements include a Statement of Net Assets that provide the total net assets 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, citizens, the State of Utah and other interested groups, including investors and 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 MD&A and should be read in conjunction with it.

GENERAL INFORMATION

History and Background

Clearfield originally incorporated on July 17, 1922. The first elementary school opened in 1907. The North Davis Jr. High School was built and opened in September 1939, and in 1960, Clearfield High became the first high school in northern Davis County.

Bordering the east side of Clearfield City is Hill Air Force Base (HAFB). The Base was established in 1941 when World War II broke out. Less than a year later, Army and Navy engineers chose Clearfield as the site for the largest U.S. Naval Supply Depot. The Supply Depot was built in 1942, creating jobs that drew people from as far away as Idaho. 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 one of more than 124 centers throughout the United States where the Management Training Corporation operates and manages a facility. Also known as Clearfield Job Corp it was established in 1966 to provide training to "at risk" youth, to equip them with skills to enter the workforce and to prepare them to interact socially. 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 for students in the nation.

Location and Transportation

Clearfield City is the third largest city in Davis County. The City encompasses 7.66 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 and 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 approve, 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.

SERVICES

Public Safety:

- Police
- Dispatch Services
- Emergency 911
- Code Enforcement

Legislative and Administrative Services:

- Accounting, Budgeting, Investments
- Justice Court
- Human Resources
- Information Technology
- Planning and Zoning
- Business Licensing
- Records Management
- Risk Management

Highways and Streets:

- Street Improvements
- Sidewalk, curb and gutter
- Equipment and Vehicle Maintenance

Community Services:

- Indoor/Outdoor Recreation programs for Youth and Adults year round
- Clearfield City Aquatic Center
- Amphitheater
- Parks, Pavilion rentals for parties, reunions and picnics
- Tennis Courts, Outdoor Basketball Courts, Softball and Baseball Fields, Soccer and Football Fields
- Cemetery
- Indoor Community Recreational Center
- Urban Trails

Major services provided under the Proprietary and Internal Service Funds include the following:

Utility Administrative Services:

- Billing
- Collections
- Customer Service
- Meter Reading

Water, Sewer and Storm Sewer:

- Well Maintenance
- Line Maintenance
- Line Upgrade and Installation

Waste Collection:

- Pick-up Service, contracted through Waste Management

Internal Services:
- Fleet Management

ECONOMIC CONDITION AND OUTLOOK

Clearfield City boasts a prime location in northern Davis County. Bordering on the east side of the City is Hill Air Force Base. Hill is one of the largest employers in the State of Utah and has been awarded several contracts to maintain military aircraft. The development of the 550 acre Falcon Hill project is underway, with the first building completed in 2012 and occupied by Northrop Grumman. 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 has been selected to provide municipal services to the project, and an interlocal agreement for such is anticipated soon.

A few Clearfield businesses have recently announced significant expansions and investment in the City. Lifetime Products will add 142 new jobs to its Clearfield facilities and will make an estimated $41 million capital investment. ATK Aerospace Structures has begun an expansion that will create 800 new jobs over the next twenty years, with a total investment of over $100 million. Clearfield City will provide local incentives to ATK in support of this project. Other Clearfield manufacturers are also growing and exploring expansion plans, which will hopefully be finalized in 2013.

The City and Utah Transit Authority are still working together to plan and develop the 70-acre rail stop. This stop will serve an estimated 3,000 riders a day. Master planning has begun on this site and will eventually accommodate flex-business space, traditional office space, multi-

family housing, a charter school, and ancillary retail. The developer is preparing to begin the entitlement process in anticipation of beginning construction in 2013.

Clearfield is aggressively working with developers in master planning the redevelopment of the downtown business district. The City has acquired several acres of prime real estate in its downtown which it is aggressively marketing for redevelopment as new office and retail space.

With the SR193 project, the utility relocation phase is nearing completion and the road construction phase is set to begin in December, 2012. The road will be a five lane facility that will dramatically improve access to the northern entrance of the Freeport Center. It is anticipated that the road will also increase property values and lead to additional development along its corridor.

MAJOR INITIATIVES

Streets and Roads - A major initiative in FY2012 for the Streets and Roads division was that they were able to complete the total rebuild of 200 South. This road project consisted of upgrading all of the utility lines and widening and rebuilding the road surface. This project is in preparation of the Utah Department of Transportation (UDOT) SR193 road extension which will run parallel with 200 South. Other road maintenance projects of overlays, chip seals and crack patching were also completed. These projects will help with the overall maintenance and life of the roads.

Public Safety - During FY2012, the Public Safety Department was able to complete Phase 1 of the Pole Camera project. The Pole Camera project is from a grant that was awarded to the Police Department in FY2011 for $225,000. The first phase included installing 9 surveillance cameras in various locations throughout the City. Phase 2 of the grant will consist of installing 3 more cameras. This project is scheduled to be completed by December 2012. The department was also awarded several other local grants during the year. A grant for $10,000 was awarded to "Enforce Underage Drinking Laws" which was used to continue compliance checks of local businesses focusing on keeping alcohol from minors. Other grants included a JAG grant for SWAT equipment and training and a SAFG grant used to purchase a motion-activated covert cameras and stationary license plate reader camera. The department also received a retired armored truck that will be refurbished and used as a nuisance abatement tool through the Code Enforcement section.

Proprietary / Internal Service Funds - The City provides Water, Sanitary Sewer, Storm Sewer and Waste Management Services to residents and its businesses through Proprietary Funds. Over 6,500 utility accounts are administered for these services. The City continued its line replacement program for the water, sewer and storm sewer infrastructure. The City completed the upgrade to the new well house and pump motor located in the Freeport Center.

The Fleet Fund is an Internal Services Fund which manages all street licensed vehicles along with unlicensed heavy duty and light duty equipment. This fund also provides vehicle repair for the North Davis Fire District and their equipment.

Finance & Administration - 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, 2011 (FY2012).

Clearfield City was also awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. This award is for the fiscal year ended June 30, 2011. Clearfield City has been awarded this certificate 13 out of the last 15 fiscal years.

FINANCIAL INFORMATION

Accounting System and Budgetary Control

The City's accounting records for general governmental operations 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's accounting records for utilities and other proprietary activities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of internal control structure. 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.

I believe 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 reopened 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 is established to give guidance on the unreserved portion on what 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 15% of the fund's annual revenues.

Clearfield City also adopted a 10 year strategic plan. This plan not only determines where we want to go, but exactly how we'll get there. In the plan it identifies goals, strategies and tactics which then provide the step-by-step process of achieving them. 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, and 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 staff of the Finance Division and City employees in the Business License, Public Works, Administration and Community Services Departments 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 their striving to fulfill the duties and responsibilities of their respective offices.

Respectfully submitted,

Bob Wylie

Bob Wylie
Administrative Services Director

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Clearfield City Corporation

Utah

For the Fiscal Year Beginning

July 1, 2011

President

Executive Director

Executive Budgetary

Adam Lenhard	Acting City Manager
JJ Allen	Assistant City Manager
Brian Brower	City Attorney

Statutory Appointed Officials

Nancy Dean	City Recorder
Steven Guy	City Treasurer

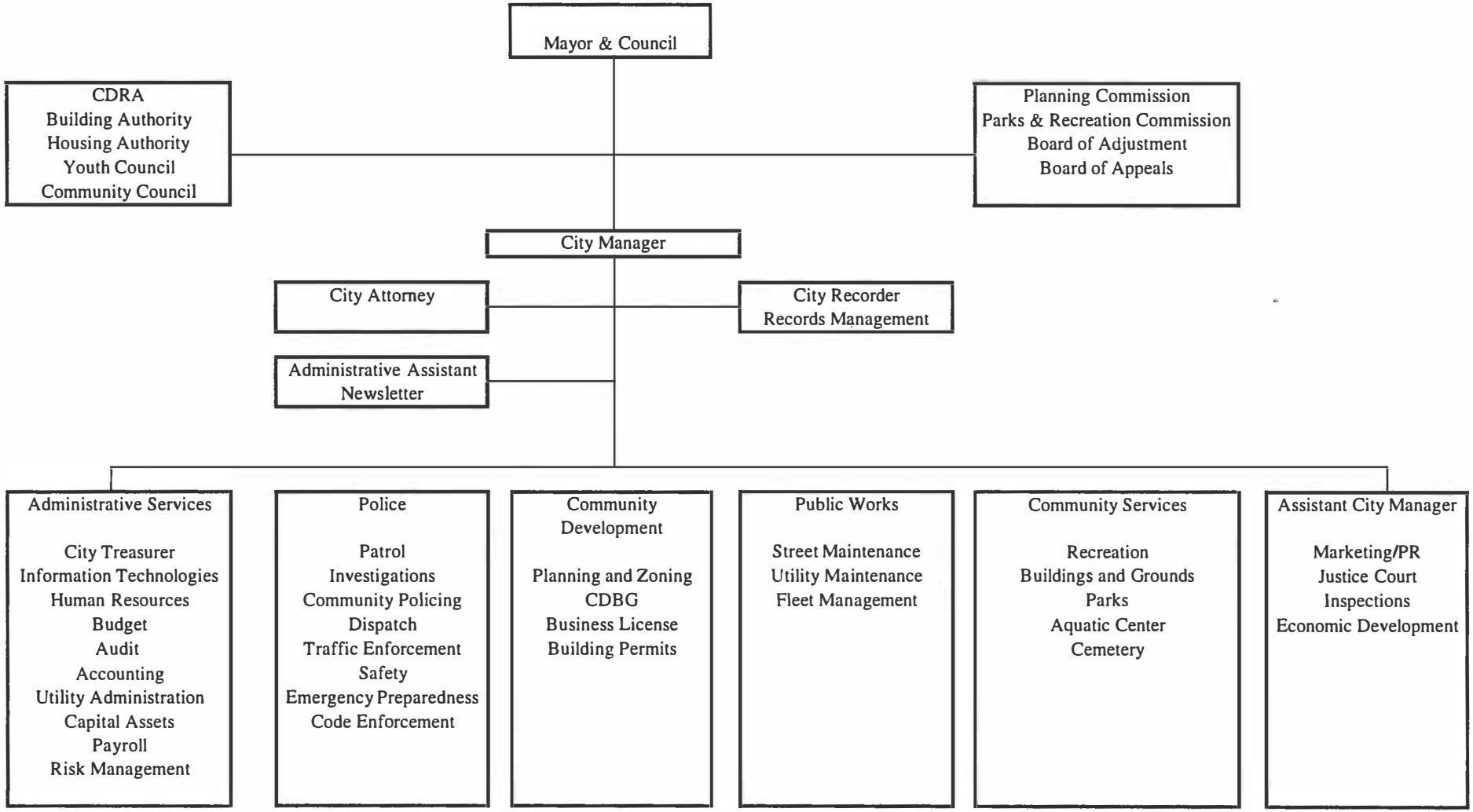
Department Heads

Robert Wylie	Administrative Services Director
Scott Hodge	Public Works Director
Eric Howes	Community Services Director
Greg Krusi	Police Chief
Valerie Claussen	Community Development Manager

Other City Officials

Mike Stenquist	Assistant Police Chief
Summer Palmer	Human Resource Manager
Kim Dabb	Assistant Public Works Director

Clearfield City, Utah Organization Chart



FINANCIAL SECTION

Ulrich & Associates, PC
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members
of the City Council

Clearfield City Corporation
Clearfield, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clearfield City Corporation as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Clearfield City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparisons for the general fund and major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2012 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* and should be considered in assessing the results of our audit.

Members of Utah Association of CPA's | American Institute of CPA's

Charles E. Ulrich, CPA | Michael E. Ulrich, CPA
Cathie Hurst, CPA | Heather Christopherson, CPA | Brandon Olsen, CPA
Lisa Hopkins, CPA | Bruce Gulso, CPA | Patrick Munson, CPA

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clearfield City Corporation's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, individual fund budgetary comparison, capital asset schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Clearfield City Corporation. The combining and individual nonmajor fund financial statements, individual fund budgetary comparisons, the capital asset schedules, and the schedule of expenditures of federal awards 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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.

Ulrich & Associates, P.C.

November 9, 2012

Management's Discussion and Analysis 2012

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 37. The management's discussion and analysis is not specifically audited. However this discussion is "required supplementary information" by the Utah State Auditor's office and must be included in the report. This information is provided to help citizens and users of this report understand what happened financially during the past year, how it compared to prior years, and provide information on important things that will happen in the future.

Financial Highlights

- Fiscal Year 2012 (FY2012) actual General Fund revenues were $586,552 above expected or final budgeted numbers before Other Financing Sources. This is a 4.4% increase. Final budgeted revenues before Other Financing Sources were $13,241,112 and final actual amounts are $13,827,664. The largest increase from budgeted numbers came from Taxes. Sales and Use taxes were $313,406 above budgeted, Property taxes were $238,820 above budgeted amounts and Energy Sales taxes were $186,643 above budgeted amounts. Overall taxes came in $770,696 above final budgeted numbers. Fines and Forfeitures were down $156,621 from budgeted numbers. Another revenue category that came in under final budgeted numbers was Federal Grants which was down $179,804. This decrease in Federal Grants is due to the Pole Camera grant not finishing in the fiscal year.

- Other Financing Sources came in $630,200 above final budgeted numbers. The City sold the old Fire Department building to the North Davis Fire District at the end of the fiscal year for $400,000. Another large item included in Other Financing Sources includes the final settlement in regards to the 200 South / Center Street bridge claim. The City was able to receive $240,000 with a negotiated settlement. These two items represent the amount over budgeted revenue.

- General Fund revenue before Other Financing Sources was down $150,497 in FY2012 from actual general fund revenues as compared to the same revenues in FY2011. Revenues from Taxes increased $801,600 from FY11 with revenues from Other and Federal grants went down $929,300.

- Expenditures for operations in the General Fund were $1,207,247 below final budgeted numbers before debt service and other uses. These savings in expenditures came from across the board in all departments. These savings along with the increase in revenue helped the General Fund in having a positive Net Change in Fund Balance of $1,732,319.

- The total assets of Clearfield City increased by $5,165,841 to $107,550,062. Total liabilities decreased by $1,532,341 to $29,461,984. The largest component of the decrease in liabilities was from the outstanding amount on the Revenue and General Obligation Bonds.

- The total net assets of $78,088,078 are made up of $56,312,585 invested in capital assets net of related debt, $4,727,867 in restricted net assets and $17,047,626 in unrestricted net assets.

- Outstanding Long Term General Obligation Bonds and Revenue Bonds government wide decreased by $1,987,400. General Obligation Bonds decreased by $727,900. Revenue Bonds decreased by $1,259,500.

- 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 38 and 40, 2nd fund financial statements-pages 42 to 61 and 3rd notes to the financial statements-pages 64 through 93.

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 assets and using *full accrual accounting* instead of the *modified accrual accounting* historically used. The Statement of Net Assets 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 38 to 40.

Clearfield City's Statement of Net Assets: page 38.

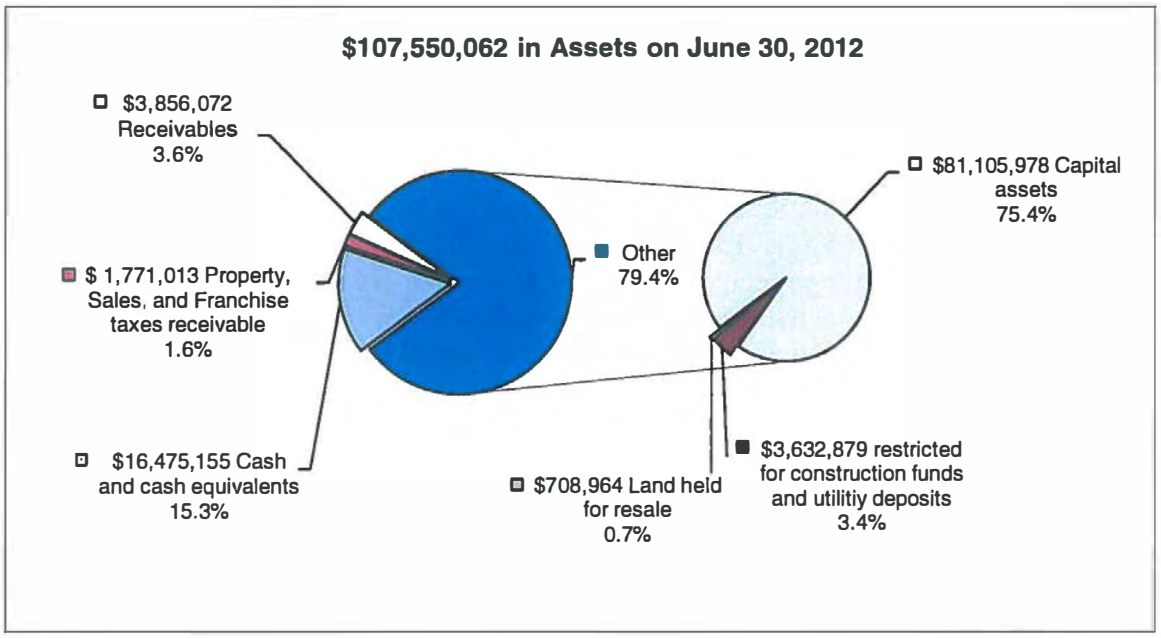
Clearfield City's Statement of Net Assets is reported as of June 30, 2012, which is the end of the fiscal year. This statement is a "picture" of the City's assets and liabilities on the last day of the fiscal year. On June 30, 2012 the City's total net assets exceeded liabilities by $78,088,078. The statement shows that unrestricted net assets of $17,047,626 are enough to cover the current liabilities of $5,697,952.

Assets:

Clearfield City's assets on June 30, 2012 were $107,550,062 for an increase of $5,165,841 from the previous fiscal year ending June 30, 2011. Capital assets (net of accumulated depreciation) increased $3,191,929. 78% of the Net Assets are tied up in capital assets or are restricted as to what they can be used for. The primary increase in assets has come from the SR193 road extension that is being funded the Utah Department of Transportation (UDOT). This project will extending a state road through the City. In order to complete this project, water, sewer and storm sewer lines need to be relocated. UDOT is reimbursing the City for these modifications to the utilities. In FY2012 $3,091,700 was received from UDOT and this was added as new assets. These new assets are listed in Construction in Process. This utility relocation will be completed in FY2013.

Of the total assets about $81,105,980 is tied up in capital assets (i.e. land, buildings, streets, sewer and water systems, equipment, and projects being built). 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 $37 million dollars or 57.3% 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 $33.7 million dollars and is 47.4% of the purchase price. More information on depreciation is available in the Notes to the Financial Statements on pages 68 and 78 - 80. Schedules of general capital assets are on pages 105 to 107.

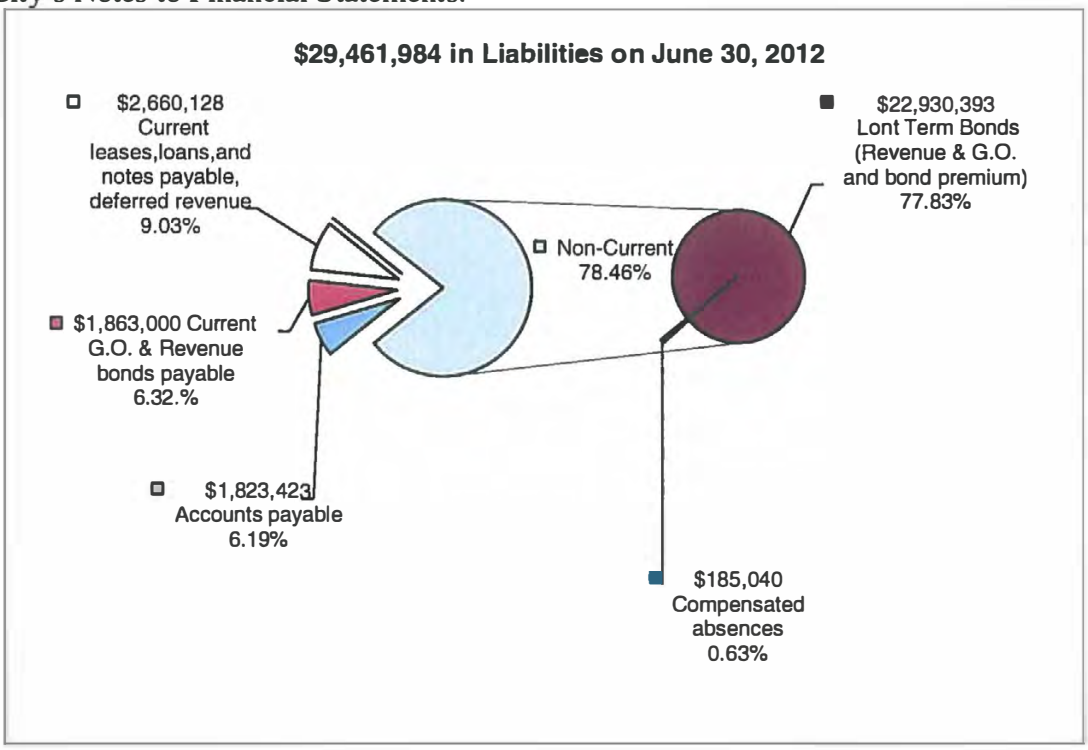
General Government capital assets had an increase in new assets of $580,560 from FY2011 and FY2012. In FY2012, Clearfield City sold assets of the fire department building and other improvements totaling $623,420 to the North Davis Fire District. The largest item relating to the increase on assets in General Government is related to the rebuild and street overlay projects. The City has identified and prioritized road projects which include total road rebuilds, chip seal, road overlays and crack patching. In FY2012 the City expensed $1,117,000 towards these projects. Change in assets related to proprietary functions had an net book values increase of $3.7 million. As discussed previous in this section, $3,091,000 was from UDOT paying for the City to relocate utility lines.



Liabilities:

Clearfield City's liabilities on June 30, 2012 were $29,461,984. Non-current liabilities are 78.46% and current liabilities are 21.54% of the total liabilities. The 21.54% is about $6,346,500 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 78.46% of non-current liabilities is $23,115,433, with $22,930,393 in revenue & general obligation bond debt and $185,040 for noncurrent compensated absences. Liabilities decreased from the prior year by $3,064,550. This decrease can be seen primarily in outstanding amount for General Obligation Bond and for outstanding amounts for the Revenue Bonds.

For detailed information see pages 84 to 89, which has the debt section of Clearfield City's Notes to Financial Statements.



Current Liabilities		Non-current Liabilities	
Leases, loans, notes payable	9.03%	Loans- Bonds	77.83%
Accounts Payable	6.19%	Compensated Absences	0.63%
G.O. & Revenue bonds	6.32%		
	21.54%		78.46%

The net assets section of the Statement of Net Assets is the difference between the City's assets and liabilities. The net assets are 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, 2012 Clearfield City has no outstanding Capital Leases.

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. 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, 2012 was $7,895,000. This is a decrease of $710,000 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 December 2006, $9,700,000 was issued for refunding a portion of the original bond. There is $12,175,000 outstanding at the end of the fiscal year. $485,000 was paid down towards the principle outstanding amount during the fiscal year. The second revenue bond outstanding was issued in July 2009. The city issued a Revenue Bond for $2,223,000. This bond was refinanced in FY2010 and the outstanding balance as of June 30, 2012 is $1,985,000. These proceeds will be used for road repairs and replacements.

Other bonds are outstanding and can be referenced in the Note Section pages 84 to 89.

Clearfield City's Statement of Activities: page 40.

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, 2012 and covers the time period of July 1, 2011 to June 30, 2012. 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, waste collection (garbage) and storm drain.

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 $8,568,547 in parenthesis represents the cost of services that were not covered with program revenues. The general revenues and fees of $11,862,005 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 Assets was $3,293,458.

The Statement of Activities is a useful report for seeing how property tax, sales tax, other taxes and interest earned were spent. For example, total expenses for Public Safety (police, dispatch, emergency services and not including the North Davis Fire District), is $3,893,612. The revenues or charges for services related to Public Safety totals $1,349,386 with $81,195 in operating grants and contributions and $74,897 for Capital Grants. The $2,388,134 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. Since this is 61.3% of the program expense, program revenues covered only 38.7% of program expenses.

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 funded w/GF	% of program funded with General revenues
1st	General Government	$2,622,746	62.8 %
2nd	Public Safety	$2,388,134	61.3 %
3rd	Community Services	$1,691,841	48.6 %
4th	Interest on long-term debt	$ 974,740	100.0 %
5th	Community Development	$ 514,315	100.0 %
6th	Highways	$ 376,771	26.8%

Governmental Activities expenditures before contributions or transfers decreased $763,653 in 2012 compared to fiscal year 2011.

Governmental Activities

	2008	2009	2010	2011	2012
Expenses:					
General Government	$ 4,720,555	$ 4,665,323	$ 4,944,458	$ 4,363,191	$ 4,175,063
Public Safety	$ 3,646,990	$ 3,640,464	$ 3,789,561	$ 4,038,550	$ 3,893,612
Highway & Streets	$ 1,353,026	$ 4,004,225	$ 1,363,122	$ 1,204,022	$ 1,407,454
Community Services	$ 3,201,188	$ 3,362,671	$ 3,381,382	$ 3,518,420	$ 3,480,388
Community Devlopment	$ 769,853	$ 843,600	$ 782,623	$ 1,018,528	$ 514,315
Other	$ 1,043,794	$ 1,216,615	$ 1,083,758	$ 1,066,514	$ 974,740
Utilities	$ -	$ -	$ -	$ -	$ -
Total Expenses	$ 14,735,406	$ 17,732,898	$ 15,344,904	$ 15,209,225	$ 14,445,572

Business-type activities summary

The Statement of Activities also presents as Clearfield's business-type activities Water, Sanitary Sewer, Solid Waste, Storm Sewer utilities and Fleet Management.

The business-type activities run by Clearfield City had an increase of Total Operating Revenues of $153,953 for a total of $8,050,387. The non operating income includes revenues received from UDOT for the reimbursement for the relocation of the utility lines along 700 South. The amount received was $3,091,690. When interest income, impact fees, miscellaneous revenue, gain on disposal of capital assets and transfers to the general fund are included, net assets increased $3,404,724 to $55,599,247.

Net Assets

The total net assets for both governmental-type activities and business type activities are $78,088,078. This takes into account the assets that were added for the infrastructure. This indicates the City's revenues are sufficient to fund ongoing programs and functions.

The change in net assets is a useful indicator of the City's financial position, especially if several years are available for comparison. Since FY2008, the change in Net Assets have increased by $3,018,560 for the business type activities. For the same time period, Governmental activities have had an increase in Net Assets of $6,747,386.

The following two charts compares fiscal year ending June 30, 2011 (FY2011) and fiscal year ending June 30, 2012 (FY2012) of the Changes in Net Assets and a comparison of Net Assets.

Comparison of Changes in Net Assets

	Governmental Activities		Business-type Activities	
	2011	2012	2011	2012
Revenues:				
Program revenues:				
Charges for Services	$ 4,683,871	$ 4,658,978	$ 7,366,662	$ 7,775,843
Operating grants & contributions	$ 887,377	$ 924,175		
Capital Grants and Contributions	$ 1,259,993	$ 293,872		$ 290,000
General revenues:				
Property Taxes	$ 3,549,977	$ 4,976,559		
General Sales and Use Tax	$ 3,128,336	$ 3,404,944		
Other Taxes	$ 2,994,417	$ 3,064,304		
Investment Income	$ 51,381	$ 62,548	$ 60,988	$ 80,165
Extraordinary Item (bridge settlement)	$ -	$ -		
Other Revenue	$ 803,010	$ 273,278	$ 529,772	$ 274,544
Total Revenues	$ 17,358,362	$ 17,658,658	$ 7,957,422	$ 8,420,552
Expenses:				
General Government	$ 4,363,191	$ 4,175,063		
Public Safety	$ 4,038,550	$ 3,893,612		
Highway & Streets	$ 1,204,022	$ 1,407,454		
Community Services	$ 3,518,420	$ 3,480,388		
Community Devlopment	$ 1,018,528	$ 514,315		
Other	$ 1,066,514	$ 974,740		
Utilities	$ -	$ -	$ 7,954,557	$ 8,027,146
Total Expenses	$ 15,209,225	$ 14,445,572	$ 7,954,557	$ 8,027,146
Excess (deficency) before transfers	$ 2,149,137	$ 3,213,086	$ 2,865	$ 393,406
Contributions of Capital Assets	$ (240,688)	$ -	$240,688	$3,091,690
Transfers	$ 506,530	$ 80,372	$ (506,530)	$ (80,372)
Increase (Decrease) in Net Assets	$ 2,414,979	$ 3,293,458	$ (262,977)	$ 3,404,724
Assets				
Net assets, beginning of year	$ 16,780,394	$ 19,195,373	$ 52,457,500	$ 52,194,523
Net assets, ending of year	$ 19,195,373	$ 22,488,831	$ 52,194,523	$ 55,599,247

Fiscal Year Comparision of Net Assets

	Governmental Activities		Business-type Activities	
	2011	2012	2011	2012
Current and Other Assets	$ 10,517,030	$ 12,401,910	$13,953,142	$14,042,174
Capital Assets (net of depr.)	$ 36,821,225	$ 36,309,879	$41,092,824	$44,796,099
Total Assets	$ 47,338,255	$ 48,711,789	$55,045,966	$58,838,273
Other Liabilities	$ 5,471,477	$ 5,150,099	$571,802	$1,196,452
Long Term debt outstanding	$ 22,671,405	$ 21,072,859	$2,279,641	$2,042,574
Total Liabilities	$ 28,142,882	$ 26,222,958	$2,851,443	$3,239,026
Net Assets:				
Invested in Capital assets, net of deb	$ 12,506,584	$ 13,775,641	$38,596,646	$42,536,944
Restricted	$ 4,958,333	$ 3,015,238	$2,616,983	$1,712,629
Unrestricted	$ 1,730,456	$ 5,697,952	$10,980,894	$11,349,674
Total Net Assets	$ 19,195,373	$ 22,488,831	$52,194,523	$55,599,247

Fund financial statements: pages 42 to 61.

Clearfield City records transactions in different funds. The funds are a grouping of related accounts that are 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.

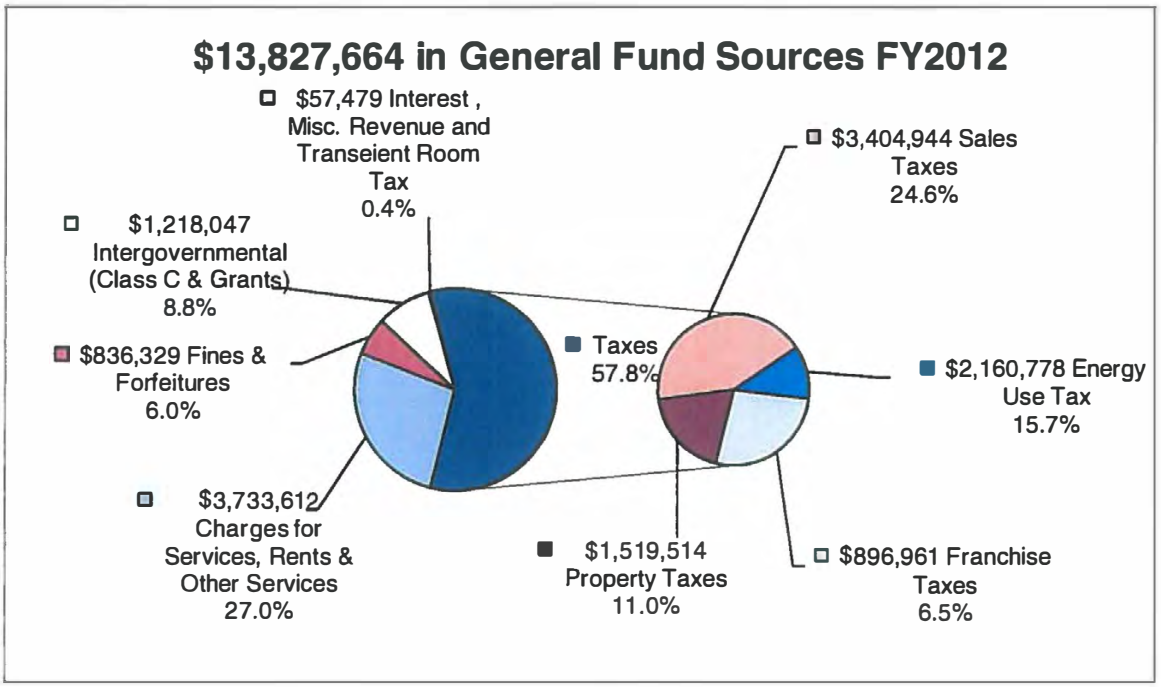
General Government funds summary

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

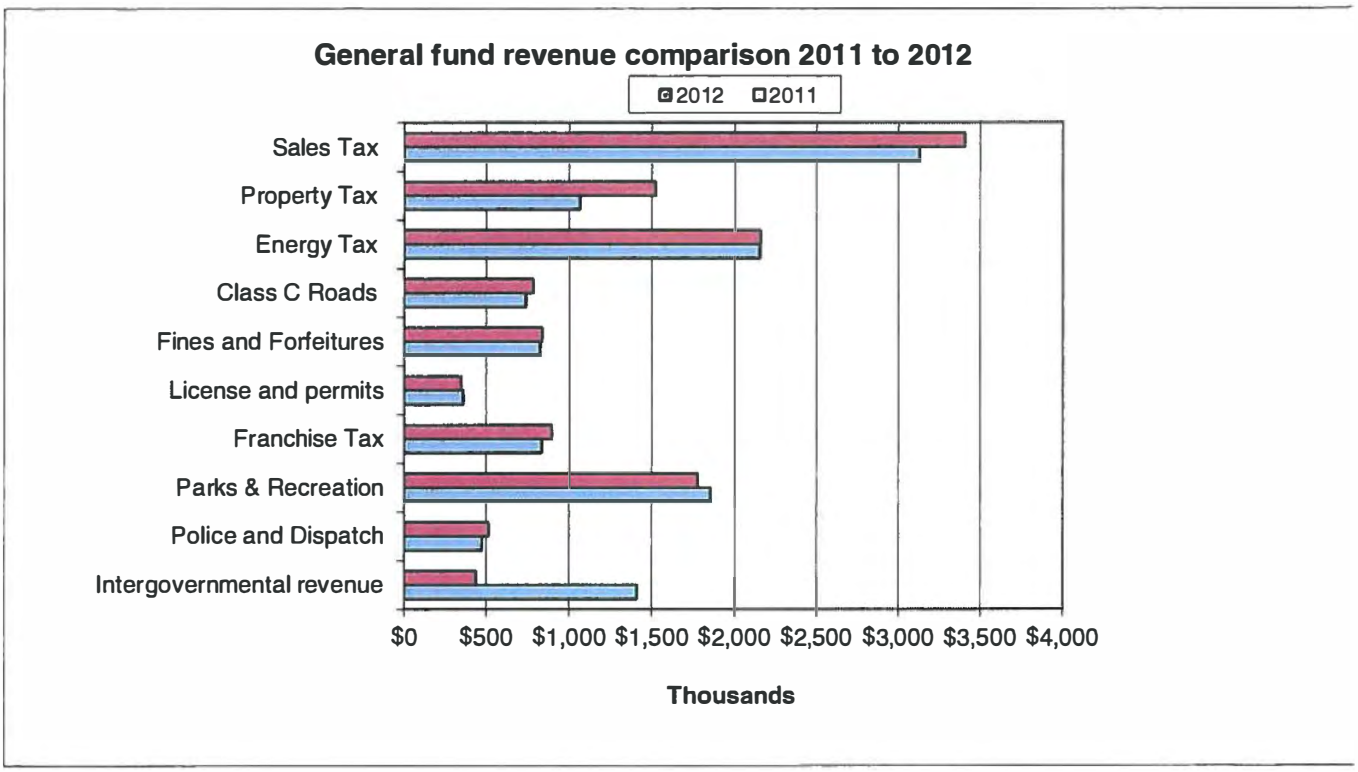
General Fund: pages 42 to 54.

During the year $13,827,664 came into the General Fund before Other Financing Sources. This is a decrease of $150,497 from the previous year. The primary decrease came in the Intergovernmental revenues. This category decreased by $929,323 which was primarily from federal and Other Grants. Taxes still remain the largest source of revenue received in the General Fund with 57.8% of the total ($7,988,762). For the prior year taxes represented 51.5% or $7,187,106 of the total revenue source before other financing sources.

General Fund Sources:



The next chart compares the normal general fund revenue for Fiscal year 2011 and 2012. On the Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds, the general fund revenues decreased $150,497 from 2011 to 2012 (before transfers or other sources). This amount represents a 1% decrease in these revenue sources. The largest decrease is in the Intergovernmental sources of $929,323. This decrease was all from lower Federal and Other grants the city received. One Federal in particular is the Pole Camera grant that was awarded to the Clearfield City Police Department. This grant is an reimbursable grant that was not completed in FY2013 and will be carried forward and completed in FY2013. This grant has a balance remaining of $168,000. Clearfield City's certified property tax rate remained the same at 0.001548. A revenue source that did increase was in the area of Taxes. As a combined grouping, taxes increased by $801,656. Revenues received from General Property Taxes increased by $455,161 followed by General Sales Taxes with an increase of $276,608.

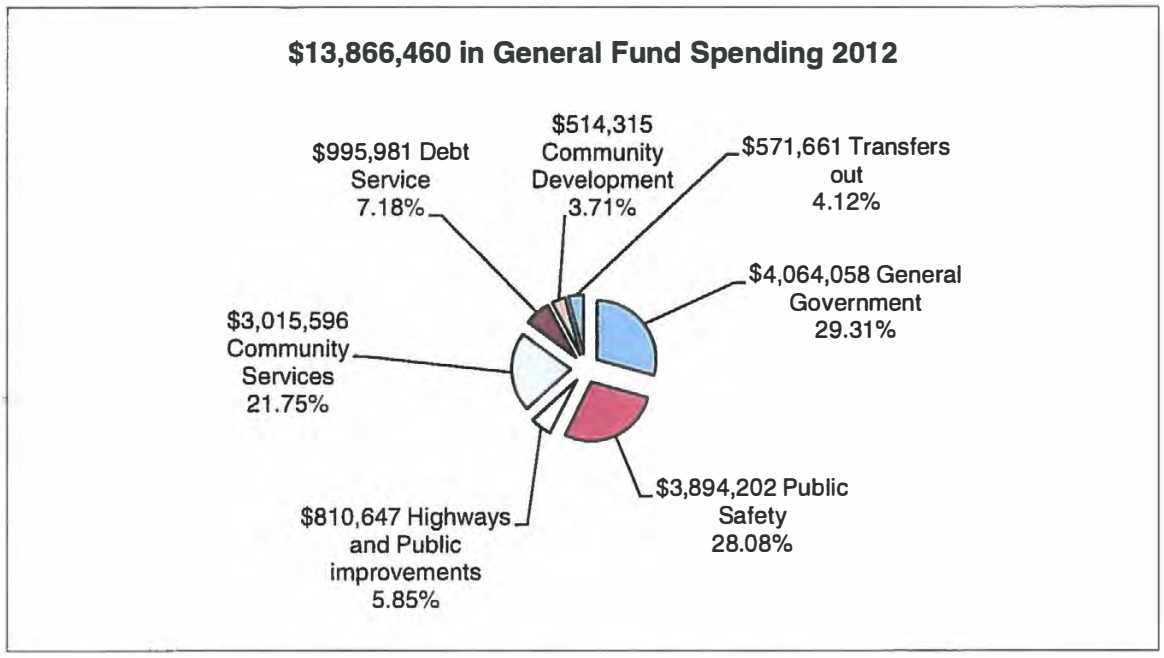


General Fund Spending:

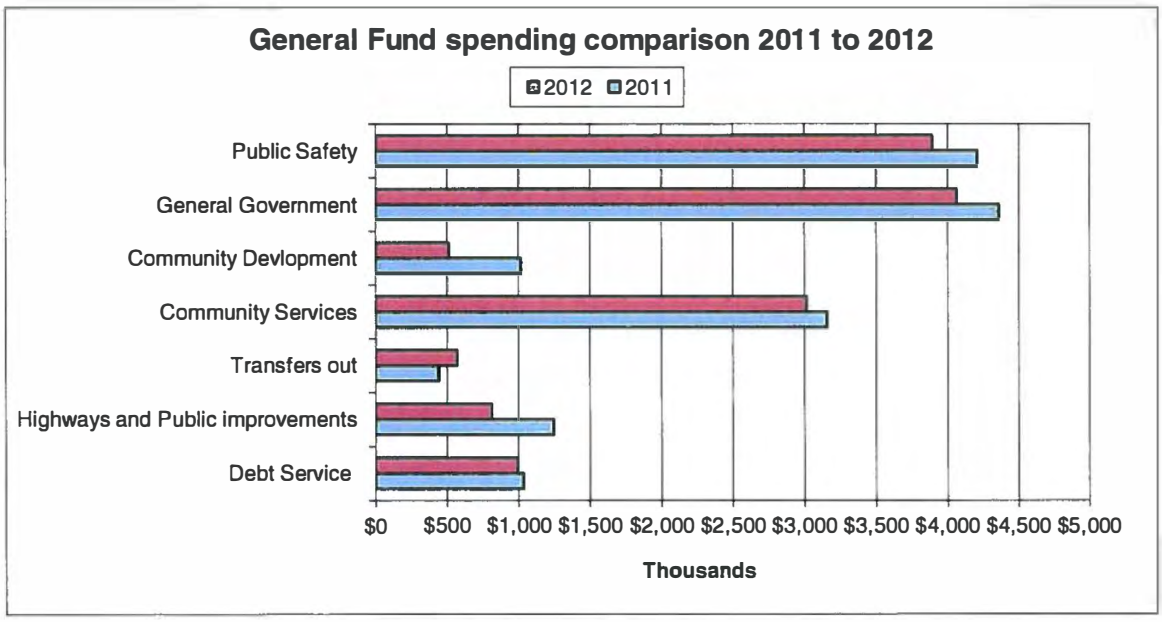
The General Fund's actual operating expenditures decreased by $1,695,176 before any debt service or transfers to other funds. This represents a 12.1% decrease from the prior year actual for the same functions. After transfers to other funds are included the total expenditures decreased by $1,604,531 as compared to the prior year. The original FY2012 approved budgeted amounts for General Government, Public Safety, Highways & Streets, Community Services and Community Development was $13,036,597 before debt service and transfers.

The City's budget was officially reopened twice during the fiscal year. The first reopened budget was held in December 2011 and the second in June 2012. The final budget was increased $611,137 from the original budget to $15,101,622.

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



The next chart compares general fund spending for 2011 and 2012 by governmental activity.



Community Development and Renewal Agency: page 55.

Total revenue of $2,449,084 was generated in 2012. This is an increase of $581,755 from FY2011. Community Development and Renewal Agency (CDRA) revenue includes property tax increment monies, rent from RDA owned properties, and interest. Clearfield City's CDRA property tax increment revenue increased by $563,772, rents and other services increased by $17,983. The increase from the increments is due to the increased value within each development area. This increase in values goes along with the increase the City received in general property taxes.

The Clearfield CDRA's balance sheet reflects an inter-fund loan payable of $1,200,000. This loan is due to the Proprietary funds. 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. For FY2012 this transfer towards the debt service was $815,862. The Net Change in Fund Balance for the CDRA Fund increased $892,563 to end the year at $2,517,946.

Capital Projects Fund: page 97.

The Capital Projects Fund began the fiscal year with a fund balance of $875,432. During the year, $1,140,023 was spent related to capital projects. $577,166 was transferred in during the year to fund new authorized capital projects. The fund balance had a net decrease of $562,679 to end the fiscal year with a $312,753 fund balance.

Debt Service / General Obligation Bond Fund: page 98.

The Debt Service Fund was created when the City issued the original General Obligation bond in Fiscal 1999. This fund is used to account for principle and interest payments on the general obligation bond and the refunding general obligation bond. In FY2012 $1,089,842 was received in this fund as revenue. This revenue is budgeted from a portion of the certified tax rate. In FY2012 this rate related to the G.O. debt was 0.000791. The revenue collected from the property taxes was not enough to cover the debt service for the year. In the original G.O. Bond several public work projects were included in the issue. $4,208 was transferred in from the proprietary funds for the current year debt service.

Proprietary Funds Summary: pages 56 to 61.

Proprietary funds include the Water, Sewer, Solid Waste Collection, and Storm Drain departments. All of the City's business type activities except Sewer and Utility Administration have a positive net income before transfers in or out. The Utility Administration fund shows a loss of $90,579. The Utility Administration fund is handled as an overhead administration for all of the utilities and the loss is allocated over the remaining utilities. The Water, Sanitary Sewer, Storm Sewer and Solid Waste utilities all showed a positive income before and after transfers in the fiscal year. Water, Storm and Sewer funds all received money from UDOT to relocate utility lines along 700 South for the SR193 road extension project. These revenues were classified as Miscellaneous in Operating Revenues in each fund. The amount received was $1,378,467 for Water, $555,740 for Sewer and $1,157,482 for Storm Sewer for a total of $3,091,689. The expenses related to these utilities were reclassified to fixed assets and will be depreciated over the life of the asset. Not including this revenue source the Water Fund lost $23,697 after transfers. The Sewer fund would have had an increase of $186,841 and the Storm Sewer Fund would have also had an increase of $15,419.

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 Assets has the same total assets, total liabilities, and total net assets as the total column on the Statement of Net Assets Proprietary Fund statement.

At the close of the fiscal year, Clearfield City has identified and has listed the following infrastructure on the balance sheet:

	Linear Feet	Historical Cost	Net Book Value
Culinary water pipe,	583,850 (110 mi)	$23,946,950	$12,736,673
Sewer pipe,	382,945 (72 mi)	$19,423,201	$ 9.960,101
Storm Sewer,	315,076 (59 mi)	$22,028,951	$11,799,088

In the Solid Waste fund, the City contracts for this service and does not list any capital assets.

The statement of Net Assets for Proprietary Funds shows a total operating income of $8,050,387 for the fiscal year ending 2012. For all proprietary funds this is an increase of $153,953. The following lists the individual Total Operating Revenues for the respective utilities:

Water Utility	$3,430,798
Sewer Utility	$2,328,740
Waste Collection	$1,223,850
Storm Drain	$ 910,043
Utility Admin	$ 156,956
Total Operating income	$8,050,387

The Proprietary funds also had operating expenses including depreciation totaling $7,469,472 before non-operating revenues or expenditures; this is down $280,961 from the prior year. The following details their respective expenses:

Water Utility	$ 2,965,378
Sewer Utility	$ 2,251,436
Waste Collection	$ 1,096,444
Storm Sewer	$ 900,220
Utility Admin	$ 255,994
Total Operating Expenses	$ 7,469,472

After non-operating revenues and expenses, the proprietary funds had a net increase of $3,404,724.

The Water Fund has one outstanding revenue bond that was issued in 2007. The bond proceeds were used to upgrade and replace existing line infrastructure. The original issued amount was for $3,330,000. The outstanding balance as of June 30, 2012 is $2,245,000. The maturity date is scheduled for May 2020.

Internal Service Fund pages 56 to 61.

The purpose of this 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. Operating Revenues totaled $884,374 with Operating Expenses including depreciation to be $841,835 for a net operating gain of $42,539. The fund also received a gain of $34,665 on the disposal or surplusing of fixed assets. The increase to net assets was $77,204.

Notes to Financial Statements: pages 64 to 93.

The Notes to the financial statement presents important details and schedules explaining Clearfield City's significant accounting 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 97 to 100. Clearfield City has the following non-major funds:

Park Capital Project Fund
The 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 99 and 100. Budget and actual comparisons for the non-major funds are presented on pages 102 to 103. Budget and actual comparisons for major capital projects fund and G.O bond fund are presented on pages 97 and 98.

Requests for information:

It is granted that in a city the size of Clearfield the accounting for over $100 million in assets and over $29 million of annual revenues and other financing sources for 2012 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 citizens, elected officials, and city government 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 Administrative Services Director can be reached at (801) 525-2720 and the City Treasurer can be reached at (801) 525-2721 Monday through Friday from 8 A.M to 5 P.M. MST.

BASIC FINANCIAL STATEMENTS

Clearfield City Corporation
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-type Activities	Total	North Davis Fire District
Assets				
Cash and cash equivalents	$ 7,222,536	9,252,709	16,475,245	2,504,611
Accounts receivable (net)	-	1,687,686	1,687,686	134,970
Property, sales, & franchise taxes receivable	1,771,013	-	1,771,013	1,960,635
Other receivables	1,344,978	-	1,344,978	-
Prepaid items	61,947	529,421	591,368	17,456
Internal balances	(1,008,934)	1,008,934	-	-
Deferred charges	231,950	-	231,950	28,069
Restricted cash	2,069,455	1,563,424	3,632,879	-
Restricted land held for sale	708,964	-	708,964	-
Capital assets (net of accumulated depreciation):				
Land	4,943,221	1,404,577	6,347,798	200,110
Water stock & rights	25,200	9,162	34,362	-
Buildings	18,608,964	156,194	18,765,158	2,636,355
Improvements	1,329,463	252,202	1,581,665	-
Machinery & equipment	2,237,442	847,497	3,084,939	1,088,753
Infrastructure	6,351,383	38,005,155	44,356,538	-
Construction in process	2,814,206	4,121,312	6,935,518	-
Total assets	$ 48,711,788	58,838,273	107,550,061	8,570,959

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

Clearfield City Corporation
Statement of Net Assets - Continued
June 30, 2012

	Governmental Activities	Business-type Activities	Total	North Davis Fire District
Liabilities				
Accounts payable and accrued liabilities	$ 902,239	921,183	1,823,422	84,267
Accrued interest payable	422,408	14,967	437,375	41,810
Deferred revenue	1,927,874	-	1,927,874	1,902,537
Compensated absences - current	279,577	15,302	294,879	-
General obligation bonds payable - current	735,000	-	735,000	-
Revenue bonds payable - current	883,000	245,000	1,128,000	125,000
Notes payable - current	-	-	-	200,000
Compensated absences - noncurrent	156,621	28,419	185,040	106,192
General obligation bonds payable - noncurrent	7,303,310	-	7,303,310	-
Revenue bonds payable - noncurrent	13,612,928	2,014,155	15,627,083	2,525,000
Total liabilities	26,222,957	3,239,026	29,461,983	5,584,806
Net Assets				
Invested in capital assets, net of related debt	13,775,641	42,536,944	56,312,585	503,287
Restricted for:				
Debt service	1,150,009	83,700	1,233,709	63,136
Perpetual care				
Expendable	27,180	-	27,180	-
Nonexpendable	146,111	-	146,111	-
Capital projects	405,404	1,563,424	1,968,828	-
E-911	390,279	-	390,279	-
Community redevelopment	708,964	-	708,964	-
Other	187,291	65,505	252,796	243,047
Unrestricted	5,697,952	11,349,674	17,047,626	2,176,683
Total net assets	$ 22,488,831	55,599,247	78,088,078	2,986,153

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, 2012

Function/Programs		Program Revenues			Net (Expenses) Revenues & Changes in Net Assets			
					Primary Government			Component Unit
Primary government		Charges for	Operating Grants and	Capital Grants and	Governmental	Business-type		North Davis
Governmental activities:	Expenses	Services	Contributions	Contributions	Activities	Activities	Total	Fire District
General government	$ 3,771,942	1,521,045	31,272	-	$ (2,219,625)		(2,219,625)	
Public safety	3,893,612	1,349,386	81,195	74,897	(2,388,134)		(2,388,134)	
Highways and public improvements	1,407,454	-	811,708	218,975	(376,771)		(376,771)	
Community services	3,883,509	1,788,547	-	-	(2,094,962)		(2,094,962)	
Community development	514,315	-	-	-	(514,315)		(514,315)	
Interest on long-term debt	974,740	-	-	-	(974,740)		(974,740)	
Total governmental activities	14,445,572	4,658,978	924,175	293,872	(8,568,547)		(8,568,547)	
Business-type activities:								
Public utility	8,027,146	7,775,843	-	290,000	-	38,697	38,697	
Total business-type activities	8,027,146	7,775,843	-	290,000	-	38,697	38,697	
Total primary government	$ 22,472,718	12,434,821	924,175	583,872	(8,568,547)	38,697	(8,529,850)	
Component unit								
North Davis Fire District	$ 2,838,759	860,911	-	-				(1,977,848)
Total component unit	$ 2,838,759	860,911	-	-				(1,977,848)
General revenues:								
Property taxes					4,976,559	-	4,976,559	2,324,704
General sales and use tax					3,404,944	-	3,404,944	-
Franchise tax					896,961	-	896,961	-
Energy use tax					2,160,778	-	2,160,778	-
Transient room tax					6,565	-	6,565	
Impact fees					22,178	266,464	288,642	-
Interest earnings					62,548	80,165	142,713	14,246
Miscellaneous					251,100	8,080	259,180	-
Transfers					80,372	(80,372)	-	66,000
Contribution of capital assets					-	3,091,690	3,091,690	-
Total general revenues					11,862,005	3,366,027	15,228,032	2,404,950
Change in net assets					3,293,458	3,404,724	6,698,182	427,102
Net assets - beginning					19,195,373	52,194,523	71,389,896	2,559,051
Net assets - ending					$22,488,831	55,599,247	78,088,078	2,986,153

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, 2012

	General Fund	Special Revenue Community Development & Renewal Agency Fund	Capital Projects	Debt Service G.O. Bond Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 4,084,858	3,123,061	-	-	14,617	7,222,536
Property, sales, and franchise taxes receivable	1,770,562	451	-	-	-	1,771,013
Other receivables	591,203	3,197	-	718,728	-	1,313,128
Prepaid items	61,907	40	-	-	-	61,947
Due from other funds	506,531	-	145,200	802	3,920	656,453
Restricted cash and cash equivalents	1,399,691	140,597	174,645	-	354,522	2,069,455
Restricted land held for sale	-	708,964	-	-	-	708,964
Total assets	8,414,752	3,976,310	319,845	719,530	373,059	13,803,496
Liabilities and Fund Balances						
Liabilities						
Accounts payable	115,332	4,872	7,092	-	-	127,296
Accrued liabilities	710,413	45,005	-	-	-	755,418
Interfund loans payable	-	1,200,000	-	-	-	1,200,000
Due to other funds	-	208,487	-	-	-	208,487
Deferred revenue	1,209,146	-	-	718,728	-	1,927,874
Total liabilities	2,034,891	1,458,364	7,092	718,728	-	4,219,075

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

Clearfield City Corporation

Balance Sheet - Governmental Funds

June 30, 2012

	General Fund	Special Revenue: Community Development & Renewal Agency Fund	Capital Projects	Debt Service: G.O. Bond Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances						
Nonspendable						
Prepaid items	61,907	40	-	-	-	61,947
Land held as inventory	-	708,964	-	-	-	708,964
Restricted for:						
Debt service	1,009,412	140,597	-	-	-	1,150,009
Capital projects	49,528	-	174,645	-	181,231	405,404
Cemetery perpetual care	-	-	-	-	173,291	173,291
E-911	390,279	-	-	-	-	390,279
Other	125,344	-	-	-	-	125,344
Committed	514,529	405,209	-	802	-	920,540
Assigned, reported in:						
General fund	56,779	-	-	-	-	56,779
Capital projects	-	-	138,108	-	18,537	156,645
Special revenue	-	1,263,136	-	-	-	1,263,136
Unassigned, reported in:						
General fund	4,172,083	-	-	-	-	4,172,083
Total fund balances	6,379,861	2,517,946	312,753	802	373,059	9,584,421
Total liabilities and fund balances	$ 8,414,752	3,976,310	319,845	719,530	373,059	13,803,496

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 Assets

June 30, 2012

Total fund balances - governmental fund types:	$ 9,584,421
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds.	36,309,879
Long-term assets not available to pay for current period expenditures, and, therefore, are deferred in the funds.	231,950
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 assets.	(244,575)
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.	(23,392,844)
Net assets of governmental activities	$ 22,488,831

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, 2012

	General Fund	Special Revenue Community Development & Renewal Agency Fund	Capital Projects	Debt Service G.O. Bond Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 7,988,762	2,367,203	-	1,089,842	-	11,445,807
Rents and other services	1,082,173	66,024	-	-	-	1,148,197
Intergovernmental	1,218,047	-	-	-	11,100	1,229,147
Charges for services	2,651,439	-	-	-	-	2,651,439
Impact fees	-	-	-	-	22,178	22,178
Fines and forfeitures	836,329	-	-	-	-	836,329
Interest	31,065	15,857	178	-	2,430	49,530
Miscellaneous revenue	19,849	-	-	-	-	19,849
Total revenues	13,827,664	2,449,084	178	1,089,842	35,708	17,402,476
Expenditures						
Current						
General government	3,660,937	130,204	-	-	-	3,791,141
Public safety	3,894,202	-	-	-	-	3,894,202
Highways and public improvements	535,484	-	-	-	-	535,484
Community services	3,418,717	-	-	-	-	3,418,717
Community development	514,315	-	-	-	-	514,315
Capital outlay	-	-	1,140,023	-	-	1,140,023
Debt service						
Principal retirement	710,000	337,000	-	710,000	-	1,757,000
Interest and fiscal charges	561,144	33,482	-	384,050	-	978,676
Total expenditures	13,294,799	500,686	1,140,023	1,094,050	-	16,029,558

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

Clearfield City Corporation

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds - Continued

For the Year Ended June 30, 2012

	General Fund	Special Revenue Community Development & Renewal Agency Fund	Capital Projects	Debt Service G.O. Bond Fund	Other Governmental Funds	Total Governmental Funds
Excess (deficiency) revenues over (under) expenditures	532,865	1,948,398	(1,139,845)	(4,208)	35,708	1,372,918
Other Financing Sources (Uses)						
Proceeds from sale of capital assets	404,621	-	-	-	-	404,621
Proceeds from settlement	240,000	-	-	-	-	240,000
Transfers in	1,126,494	-	577,166	4,208	-	1,707,868
Transfers (out)	(571,661)	(1,055,835)	-	-	-	(1,627,496)
Total other financing sources and (uses)	1,199,454	(1,055,835)	577,166	4,208	-	724,993
Net change in fund balances	1,732,319	892,563	(562,679)	-	35,708	2,097,911
Fund balances - beginning of year	4,647,542	1,625,383	875,432	802	337,351	7,486,510
Fund balances - end of year	$ 6,379,861	2,517,946	312,753	802	373,059	9,584,421

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, 2012

Amounts reported for governmental activities in the statement of activities are different because:	
Net changes in fund balances - total governmental funds	$ 2,097,911
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.	(790,986)
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 assets. 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,757,000
Internal service funds are used by management to charge the costs of fleet management to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.	262,879
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.	(33,346)
Change in net assets of governmental activities	$ 3,293,458

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, 2012

	Budgeted Amounts		Actual	Variance-Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes				
General property taxes	$ 1,280,694	1,280,694	1,519,514	238,820
General sales and use taxes	3,091,538	3,091,538	3,404,944	313,406
Franchise taxes	867,699	867,699	896,961	29,262
Energy sales and use tax	1,974,135	1,974,135	2,160,778	186,643
Transient room tax	4,000	4,000	6,565	2,565
	7,218,066	7,218,066	7,988,762	770,696
Intergovernmental				
Class "C" road allotment	760,000	760,000	781,573	21,573
State liquor allotment	46,000	46,000	43,049	(2,951)
Other grants	29,500	29,500	22,333	(7,167)
Federal grants	243,237	550,896	371,092	(179,804)
	1,078,737	1,386,396	1,218,047	(168,349)
Charges for services				
Special police services	489,882	489,882	513,057	23,175
Licenses and permits	272,365	272,365	349,835	77,470
Parks and recreation	1,853,279	1,862,527	1,777,697	(84,830)
Cemetery lots and services	8,400	8,400	10,850	2,450
	2,623,926	2,633,174	2,651,439	18,265
Fines and forfeitures	992,950	992,950	836,329	(156,621)
Interest	23,226	23,226	31,065	7,839
Miscellaneous	21,849	21,849	19,849	(2,000)
Rents and other services	952,037	965,451	1,082,173	116,722
Other Financing Sources				
Proceeds from sale of fixed assets	-	-	404,621	404,621
Proceeds from settlement	-	-	240,000	240,000
Transfers in	1,140,894	1,140,894	1,126,494	(14,400)
Total other financing sources	1,140,894	1,140,894	1,771,115	630,221
Total revenues and other financing sources	$ 14,051,685	14,382,006	15,598,779	1,216,773

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, 2012

	Budgeted Amounts		Actual	Variance- Positive
	Original	Final	Amounts	(Negative)
Expenditures				
General government				
Legislative				
Salaries and wages	$ 55,800	55,800	44,585	11,215
Employee benefits	49,197	49,197	54,228	(5,031)
Council & mayor	31,400	31,400	25,644	5,756
Materials, supplies, and services	36,500	44,110	42,430	1,680
	172,897	180,507	166,887	13,620
Judicial				
Salaries and wages	223,488	227,333	213,910	13,423
Employee benefits	71,540	72,260	61,500	10,760
Professional services	81,500	81,500	70,183	11,317
Materials, supplies, and services	15,747	15,747	11,318	4,429
	392,275	396,840	356,911	39,929
Executive				
Salaries and wages	418,643	426,754	441,300	(14,546)
Employee benefits	146,782	148,442	145,782	2,660
Professional services	34,600	34,600	11,084	23,516
Materials, supplies, and services	108,640	124,876	101,351	23,525
	708,665	734,672	699,517	35,155
Administrative services				
Salaries and wages	593,260	604,968	607,532	(2,564)
Employee benefits	258,230	260,798	220,187	40,611
Professional services	415,200	415,200	304,275	110,925
Materials, supplies, and services	318,486	334,486	304,049	30,437
Capital outlay	136,600	164,600	138,646	25,954
	1,721,776	1,780,052	1,574,689	205,363
Non-departmental				
Materials, supplies, and services	333,623	333,623	214,537	119,086
Utilities	669,122	669,122	572,449	96,673
Telephone	64,400	64,400	55,257	9,143
	$ 1,067,145	1,067,145	842,243	224,902

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, 2012

	Budgeted Amounts		Actual	Variance-Positive
	Original	Final	Amounts	(Negative)
Expenditures - continued				
Elections				
Materials, supplies, and services	30,700	30,700	20,690	10,010
	30,700	30,700	20,690	10,010
Total general government	4,093,458	4,189,916	3,660,937	528,979
Public safety				
Police				
Salaries and wages	2,314,461	2,354,770	2,275,481	79,289
Employee benefits	1,134,242	1,139,604	1,093,564	46,040
Professional services	80,895	80,895	72,704	8,191
Materials, supplies, and services	401,006	401,276	310,683	90,593
Capital outlay	54,400	299,663	124,843	174,820
	3,985,004	4,276,208	3,877,275	398,933
Start grant				
Salaries and wages	-	50,521	9,600	40,921
Employee benefits	-	5,229	4,752	477
Materials, supplies, and services	-	7,548	2,575	4,973
	-	63,298	16,927	46,371
Total public safety	$ 3,985,004	4,339,506	3,894,202	445,304

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, 2012

	Budgeted Amounts		Actual	Variance-
	Original	Final	Amounts	Positive (Negative)
Expenditures - continued				
Highways and public improvements				
Streets and highways				
Salaries and wages	$ 130,261	132,666	126,390	6,276
Employee benefits	62,437	62,988	62,843	145
Professional services	50,850	50,850	57,926	(7,076)
Materials, supplies, and services	290,513	290,513	288,325	2,188
Principal payments	-	225,000	225,000	-
Interest payments	280,163	55,163	50,163	5,000
Total highways and public improvements	814,224	817,180	810,647	6,533
Community services				
Salaries and wages	1,782,700	1,807,657	1,755,092	52,565
Employee benefits	438,065	442,433	438,959	26,836
Professional services	310,599	293,507	268,697	24,810
Materials, supplies, and services	956,881	939,924	907,352	32,572
Capital outlay	55,000	55,000	48,617	6,383
Total community services	$ 3,543,245	3,538,521	3,418,717	143,166

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, 2012

	Budgeted Amounts		Actual	Variance-
	Original	Final	Amounts	Positive (Negative)
Expenditures - continued				
Community development				
Administration				
Salaries and wages	$ 164,416	115,327	66,004	49,323
Employee benefits	45,671	40,678	23,579	17,099
Professional services	750	27,110	15,726	11,384
Materials, supplies, and services	17,370	63,326	72,165	(8,839)
	228,207	246,441	177,474	68,967
CDBG urban redevelopment				
Salaries and wages	46,690	47,664	59,295	(11,631)
Employee benefits	21,694	21,897	23,386	(1,489)
Materials, supplies, and services	34,760	32,364	15,387	16,977
	103,144	101,925	98,068	3,857
Building development services				
Salaries and wages	155,614	158,275	152,498	5,777
Employee benefits	64,756	65,356	60,954	4,402
Professional services	28,480	28,480	12,619	15,861
Materials, supplies, and services	20,465	20,465	12,702	7,763
	269,315	272,576	238,773	33,803
Total community development	600,666	620,942	514,315	106,627
Debt service				
Principal payments	485,000	485,000	485,000	-
Interest payments	521,888	521,888	510,981	10,907
Total debt service	$ 1,006,888	1,006,888	995,981	10,907

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, 2012

	Budgeted Amounts		Actual	Variance-
	Original	Final	Amounts	Positive (Negative)
Other Financing Uses				
Transfers to other funds	$ 447,000	588,669	571,661	17,008
Total other financing uses	447,000	588,669	571,661	17,008
Total expenditures and other financing uses	14,490,485	15,101,622	13,866,460	1,258,524
Net change in fund balances	(438,800)	(719,616)	1,732,319	2,451,935
Fund balances, beginning of year	4,647,542	4,647,542	4,647,542	-
Fund balances, end of year	$ 4,208,742	3,927,926	6,379,861	2,451,935

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, 2012

	Budgeted Amounts		Actual	Variance-Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$2,349,452	2,349,452	2,367,203	17,751
Rents and other services	49,230	49,230	66,024	16,794
Interest	7,431	7,431	15,857	8,426
	2,406,113	2,406,113	2,449,084	42,971
Expenditures				
Current operating				
General government	974,739	974,739	130,204	844,535
Debt service				
Principal retirement	366,644	366,644	337,000	29,644
Interest payments	-	-	33,482	(33,482)
Total expenditures	1,341,383	1,341,383	500,686	840,697
Excess of revenue over (under) expenditures	1,064,730	1,064,730	1,948,398	883,668
Other Financing Sources (Uses)				
Operating transfers (out)	(1,064,730)	(1,064,730)	(1,055,835)	8,895
Total other financing sources (uses)	(1,064,730)	(1,064,730)	(1,055,835)	8,895
Net change in fund balances	-	-	892,563	892,563
Fund balances, beginning of year	1,625,383	1,625,383	1,625,383	-
Fund balances, end of year	$1,625,383	1,625,383	2,517,946	892,563

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

Clearfield City Corporation
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-Type Activities - Enterprise						Governmental Activities -
	Public Utility Administration	Water Utility	Sewer Utility	Waste Collection	Storm Drain	Total	Internal Service Fund - Fleet
Assets							
Current assets							
Cash and cash equivalents	$ -	5,133,367	2,201,027	-	1,918,315	9,252,709	-
Accounts receivable (net)	25,852	882,723	353,734	119,478	305,899	1,687,686	31,850
Due from other funds	-	-	-	1,056,059	-	1,056,059	-
Prepaid items	-	529,421	-	-	-	529,421	-
Restricted cash and cash equivalents	-	971,357	273,592	-	318,475	1,563,424	-
Interfund loan - CDRA	1,200,000	-	-	-	-	1,200,000	-
Total current assets	1,225,852	7,516,868	2,828,353	1,175,537	2,542,689	15,289,299	31,850
Noncurrent assets							
Water stock and rights	-	9,162	-	-	-	9,162	-
Land, equipment, buildings and improvements	-	30,717,564	20,442,658	-	23,925,896	75,086,118	3,118,024
Less: accumulated depreciation	-	(14,587,270)	(9,535,070)	-	(10,298,153)	(34,420,493)	(2,090,380)
Construction in process	-	2,197,243	719,814	-	1,204,255	4,121,312	-
Total noncurrent assets	-	18,336,699	11,627,402	-	14,831,998	44,796,099	1,027,644
Total assets	$ 1,225,852	25,853,567	14,455,755	1,175,537	17,374,687	60,085,398	1,059,494
Liabilities and Net Assets							
Current liabilities							
Accounts payable and accrued liabilities	$ 5,488	346,085	194,669	73,073	251,330	870,645	19,525
Customer deposits	65,505	-	-	-	-	65,505	-
Due to other funds	1,005,173	240,890	789	-	273	1,247,125	256,900
Compensated absences - current	2,281	8,605	4,416	-	-	15,302	-
Revenue bond payable - current	-	245,000	-	-	-	245,000	-
Total current liabilities	$ 1,078,447	840,580	199,874	73,073	251,603	2,443,577	276,425

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

Clearfield City Corporation
Statement of Net Assets - Continued
Proprietary Funds
June 30, 2012

	Business-Type Activities - Enterprise						Governmental Activities -
	Public Utility Administration	Water Utility	Sewer Utility	Waste Collection	Storm Drain	Total	Internal Service Fund - Fleet
Non current liabilities							
Compensated absences - noncurrent	$ 4,236	15,981	8,202	-	-	28,419	-
Revenue bond payable - noncurrent	-	2,014,155	-	-	-	2,014,155	-
Total noncurrent liabilities	4,236	2,030,136	8,202	-	-	2,042,574	-
Total liabilities	1,082,683	2,870,716	208,076	73,073	251,603	4,486,151	276,425
Net assets							
Invested in capital assets, net of related debt	-	16,077,544	11,627,402	-	14,831,998	42,536,944	1,027,644
Restricted							
Impact fees	-	971,357	273,592	-	318,475	1,563,424	-
Debt service	-	83,700	-	-	-	83,700	-
Other	65,505	-	-	-	-	65,505	-
Unrestricted	77,664	5,850,250	2,346,685	1,102,464	1,972,611	11,349,674	(244,575)
Total net assets	143,169	22,982,851	14,247,679	1,102,464	17,123,084	55,599,247	783,069
Total liabilities and net assets	$ 1,225,852	25,853,567	14,455,755	1,175,537	17,374,687	60,085,398	1,059,494

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

Clearfield City Corporation
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Business-Type Activities - Enterprise						Governmental Activities -
	Public Utility Administration	Water Utility	Sewer Utility	Waste Collection	Storm Drain	Total	Internal Service Fund - Fleet
Operating Revenues							
Charges for services	$ 156,956	3,297,870	2,267,037	1,223,850	830,130	7,775,843	881,213
Impact fees	-	126,128	61,123	-	79,213	266,464	-
Miscellaneous	-	6,800	580	-	700	8,080	3,161
Total operating revenues	156,956	3,430,798	2,328,740	1,223,850	910,043	8,050,387	884,374
Operating Expenses							
Salaries and wages	124,369	308,646	185,347	37,421	102,445	758,228	101,449
Employee benefits	43,796	122,533	69,701	11,689	38,478	286,197	37,967
Maintenance and supplies	87,829	1,827,390	1,497,541	1,047,334	198,688	4,658,782	482,080
Depreciation and amortization	-	706,809	498,847	-	560,609	1,766,265	220,339
Total operating expenses	255,994	2,965,378	2,251,436	1,096,444	900,220	7,469,472	841,835
Net operating income	$ (99,038)	465,420	77,304	127,406	9,823	580,915	42,539

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

Clearfield City Corporation
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Continued
Proprietary Funds
For the Year Ended June 30, 2012

	Business-Type Activities - Enterprise						Governmental Activities -
	Public Utility Administration	Water Utility	Sewer Utility	Waste Collection	Storm Drain	Total	Internal Service Fund - Fleet
Nonoperating Revenues (Expenses)							
Gain/(loss) on disposal of capital assets	$ -	(306,800)	(153,241)	-	-	(460,041)	34,665
Federal grant	-	-	290,000	-	-	290,000	-
Interest revenue	8,459	38,213	15,431	6,753	11,309	80,165	-
Interest expense	-	(97,633)	-	-	-	(97,633)	-
Total nonoperating revenues (expenses)	8,459	(366,220)	152,190	6,753	11,309	(187,509)	34,665
Income (loss) before contributions and transfers	(90,579)	99,200	229,494	134,159	21,132	393,406	77,204
Contribution of capital assets	-	1,378,468	555,740	-	1,157,482	3,091,690	-
Transfers in	94,984	-	-	-	-	94,984	-
Transfers (out)	-	(122,898)	(42,653)	(4,092)	(5,713)	(175,356)	-
Change in net assets	4,405	1,354,770	742,581	130,067	1,172,901	3,404,724	77,204
Total net assets - beginning	138,764	21,628,081	13,505,098	972,397	15,950,183	52,194,523	705,865
Total net assets - ending	$ 143,169	22,982,851	14,247,679	1,102,464	17,123,084	55,599,247	783,069

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, 2012

	Business-Type Activities - Enterprise Funds						Governmental Activities -
	Public Utility Administration	Water Utility	Sewer Utility	Waste Collection	Storm Drain	Total	Internal Service Fund - Fleet
Cash flows from operating activities							
Receipts from customers	$ 164,199	2,834,138	2,211,901	1,219,385	705,595	7,135,218	857,623
Payments to suppliers	(81,356)	(1,506,184)	(1,427,740)	(1,046,577)	17,522	(4,044,335)	(466,729)
Payments to employees	(167,375)	(427,983)	(255,254)	(49,110)	(140,923)	(1,040,645)	(139,416)
Net cash provided (used) by operating activities	(84,532)	899,971	528,907	123,698	582,194	2,050,238	251,478
Cash flows from noncapital financing activities							
Advances (to) from other funds	(18,911)	2,442,652	789	(1,056,059)	273	1,368,744	(221,996)
Transfers from other funds	94,984	-	-	-	-	94,984	-
Transfers to other funds	-	(122,898)	(42,653)	(4,092)	(5,713)	(175,356)	-
Net cash provided (used) by noncapital financing activities	76,073	2,319,754	(41,864)	(1,060,151)	(5,440)	1,288,372	(221,996)
Cash flows from capital and related financing activities							
Purchases of capital assets	-	(3,209,048)	(1,436,395)	-	(1,284,138)	(5,929,581)	(344,742)
Proceeds from sale of capital assets	-	-	-	-	-	-	65,100
Subsidy from federal grant	-	-	290,000	-	-	290,000	-
Reimbursement for capital assets constructed	-	1,378,468	555,740		1,157,482	3,091,690	
Principal paid on capital debt	-	(235,000)	-	-	-	(235,000)	-
Interest paid on capital debt	-	(97,633)	-	-	-	(97,633)	-
Net cash provided (used) by capital and related financing activities	-	(2,163,213)	(590,655)	-	(126,656)	(2,880,524)	(279,642)
Cash flows from investing activities							
Interest and dividends received	8,459	38,213	15,431	6,753	11,309	80,165	-
Net cash provided (used) by investing activities	8,459	38,213	15,431	6,753	11,309	80,165	-
Net increase (decrease) in cash and cash equivalents	-	1,094,725	(88,181)	(929,700)	461,407	538,251	(250,160)
Cash and cash equivalents - beginning	-	5,009,999	2,562,800	929,700	1,775,383	10,277,882	250,160
Cash and cash equivalents - ending	$ -	6,104,724	2,474,619	-	2,236,790	10,816,133	-

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, 2012

	Business-Type Activities - Enterprise Funds						Governmental Activities -
	Public Utility Administration	Water Utility	Sewer Utility	Waste Collection	Storm Drain	Total	Internal Service Fund - Fleet
Reconciliation of operating income to net cash provided (used) by operating activities:							
Operating income (loss)	$ (99,038)	465,420	77,304	127,406	9,823	580,915	42,539
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation and amortization expense	-	706,809	498,847	-	560,609	1,766,265	220,339
(Increase)/decrease in accounts receivable	4,363	(596,660)	(116,839)	(4,465)	(204,448)	(918,049)	(26,751)
(Increase)/decrease in prepaid items	990	(2,466)	-	-	-	(1,476)	-
Increase /(decrease) in accounts payable	5,483	325,695	69,801	757	216,210	617,946	15,351
Increase /(decrease) in customer deposits	2,880	-	-	-	-	2,880	-
Increase /(decrease) in compensated absences	790	3,196	(206)	-	-	3,780	-
Increase /(decrease) in unearned revenue	-	(2,023)	-	-	-	(2,023)	-
Total adjustments	14,506	434,551	451,603	(3,708)	572,371	1,469,323	208,939
Net cash provided (used) by operating activities	$ (84,532)	899,971	528,907	123,698	582,194	2,050,238	251,478

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, 2012

	Offsite Improvements
Assets	
Cash and cash equivalents	$ 37,631
Liabilities	
Due to developers	37,631
Total liabilities	$ 37,631

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

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Reporting entity

The City is a municipal corporation governed by an elected mayor and five member council. As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the financial statements to emphasize it is legally separate from the City. Each blended component unit has a June 30 year end.

Blended component units. The following entities are blended in the accompanying basic financial statements:

Clearfield City Community Development and Renewal Agency

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 units are blended because they are governed by boards comprised of the City council members. The City retains fiscal responsibility for these entities. 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, 140 East Center, Clearfield, Utah 84015.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) 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.

Note 1 - Summary of Significant Account Policies - continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary funds that are considered agency funds have no measurement focus and use the accrual basis of accounting.

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.

Note 1 - Summary of Significant Account Policies - continued

Property 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for and report 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 & renewal agency transactions conducted by Clearfield 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 properties

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 providing 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.

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

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

Note 1 - Summary of Significant Account Policies - continued

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer, waste, and storm drain enterprise funds are charges to customers for sales and services. The water fund also recognizes as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, maintenance and supplies, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, liabilities, and net assets or equity

1. Deposits and investments

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

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

Investments for the City, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Note 1 - Summary of Significant Account Policies - continued

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "interfund loans".

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

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.

3. Restricted cash and cash equivalents

Certain resources of the City's governmental funds are set aside for repayment of debt, capital projects, impact fees, and cemetery perpetual care.

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 are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Note 1 - Summary of Significant Account Policies - continued

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 extend its useful life beyond the original estimate. In the case of donations, the government values these capital assets at the estimated fair value of the item at the date of its donation.

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:

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

5. 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 vacation leave or to cash at one-fourth of the amount.

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.

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 assets. 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. Fund equity

Government-wide financial statements

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

Invested in capital assets, net of related debt - 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 assets - Net assets 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 assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Note 1 - Summary of Significant Account 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 or 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. This intent is expressed by either the City Council or delegated by the City Council to the finance administrator. Also includes all remaining amounts that are report in governmental funds, other than the general fund that are not classified as nonspendable, restricted nor committed or in the General Fund, that are intended to be used for specific purposes.

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.

It is the City'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.

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

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

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net assets of governmental activities as reported in the government-wide statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets 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 cost of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the City as a whole.

Cost of capital assets	$ 75,393,838
Accumulated depreciation	(39,083,959)
Total difference	$ 36,309,879

Deferred revenue/costs:

Long-term assets applicable to the City's governmental activities are not available to pay for current expenditures and thus are deferred in government funds. The statement of net assets includes the following costs:

Deferred issuance costs	$ 231,950
	$ 231,950

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 assets. Balances at June 30, 2012 were:

General obligation bonds	$ 7,895,000
Revenue bonds	14,463,000
Bond premium	176,238
Interest payable on long-term debt	422,408
Compensated absences	436,198
Total difference	$ 23,392,844

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

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 assets 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	$ 1,348,031
Loss on disposal of capital assets	(121,672)
Depreciation expense	(2,017,345)
Net difference as reported	$ (790,986)

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 assets. 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:

Principal repayments:	
General obligation debt	$ 710,000
Revenue bond obligations	1,017,000
Notes payable	30,000
Net difference as reported	$ 1,757,000

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	$ (50,302)
Amortization of bond premiums	23,400
Amortization of bond discounts	(1,093)
Amortization of issuance costs	(32,026)
Accrued interest	26,675
Net difference as reported	$ (33,346)

Note 3 - Stewardship, Compliance, and Accountability

Budgetary information

Budgets are prepared and adopted, in accordance with State law, by the Clearfield City Council 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 1. Final adoption of the budget must be no later than August 17th. Budgets may be increased by resolution of the City 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 30.

Budgets for the General Fund, Special Revenue Funds and Capital Projects Funds are prepared on 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. During the current year, the expenditures exceeded appropriations in various departments and funds as noted in the Schedule of Findings.

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 18% of the total estimated 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 $2,521,792.

Note 4 - Detailed Notes on All Funds

Deposits and investments

The City maintains cash accounts with local institutions and investment pools with the Utah Public Treasurers' Investment Fund, which is available for use by all funds.

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

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

As of June 30, 2012, the City had the following deposits and investments:

	Fair Value
Cash on deposit	$ 1,112,929
Utah Public Treasurer's Investment Fund	19,621,702
	$ 20,734,631

Deposits

Custodial credit risk - Custodial credit risk is that in the event of a bank failure, the local government's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of June 30, 2012, $612,929 of the $1,112,929 balance of deposits was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments

The Money Management Act defines the types of securities authorized as appropriate investments for the City's non-endowment 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.

Note 4 - Detailed Notes on All Funds - continued

Investments - continued

These statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Services or Standard & Poor's; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurer's Investment Fund.

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

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953,* as amended. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

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

For the year ended June 30, 2012, the City had investments of $19,621,703 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

Interest rate risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Entity'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 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 2 years.

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

Note 4 - Detailed Notes on All Funds - continued

Investments - continued

Concentration of credit risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council, 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.

Deposits and investments - continued

Components of cash and investments (including interest earning deposits) at June 30, 2012, are as follows:

Cash on hand and on deposit	
Cash on hand	$ 4,800
Cash on deposit	481,622
Utah State Treasurer's investment pool account	19,621,702
	$20,108,124

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

Cash and cash equivalents	$16,475,245
Restricted cash	3,632,879
	$20,108,124

Property taxes receivable

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. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

Property taxes receivable (general fund)	$ 1,209,146
Property taxes receivable (G.O. bond fund)	718,728
Total deferred/unearned revenue for governmental funds	$ 1,927,874

Note 4 - Detailed Notes on All Funds - continued

Capital assets

Capital asset activity for the year ended June 30, 2012 was as follows:

Primary Government **Governmental Activities:**	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**
Capital assets not being depreciated:				
Land	$ 4,948,901	-	5,680	4,943,221
Construction in progress	1,606,895	1,207,311	-	2,814,206
Water rights	25,200	-	-	25,200
Total capital assets not being depreciated	6,580,996	1,207,311	5,680	7,782,627
Capital assets being depreciated:				
Buildings	25,705,964	-	623,420	25,082,544
Improvements	1,870,234	27,840	23,720	1,874,354
Machinery and equipment	6,849,692	457,626	397,658	6,909,660
Infrastructure	33,744,653	-	-	33,744,653
Total capital assets being depreciated	68,170,543	485,466	1,044,798	67,611,211
Less accumulated depreciation for:				
Buildings	6,342,638	653,538	522,596	6,473,580
Improvements	472,726	79,307	7,142	544,891
Machinery and equipment	4,516,615	489,566	333,963	4,672,218
Infrastructure	26,598,336	794,934	-	27,393,270
Total accumulated depreciation	37,930,315	2,017,345	863,701	39,083,959
Total capital assets, being depreciated, net	30,240,228	(1,531,879)	181,097	28,527,252
Governmental activities capital assets, net	$ 36,821,224	(324,568)	186,777	36,309,879

Note 4 - Detailed Notes on All Funds - continued

Primary Government Business-type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in process	$ 2,411,456	3,940,739	2,230,883	4,121,312
Land	1,404,577	-	-	1,404,577
Water stock and rights	9,162	-	-	9,162
Total capital assets not being depreciated	3,825,195	3,940,739	2,230,883	5,535,051
Capital assets being depreciated:				
Buildings	2,707,995	-	-	2,707,995
Improvements	308,788	-	-	308,788
Infrastructure	66,457,922	3,654,464	964,517	69,147,869
Machinery and equipment	1,495,810	565,266	544,187	1,516,889
Total capital assets being depreciated	70,970,515	4,219,730	1,508,704	73,681,541
Less accumulated depreciation for:				
Buildings	2,538,786	13,015	-	2,551,801
Improvements	41,075	15,511	-	56,586
Infrastructure	29,986,288	1,660,901	504,475	31,142,714
Machinery and equipment	1,136,739	76,838	544,185	669,392
Total accumulated depreciation	33,702,888	1,766,265	1,048,660	34,420,493
Total capital assets, being depreciated, net	37,267,627	2,453,465	460,044	39,261,048
Business-type activities capital assets, net	$ 41,092,822	6,394,204	2,690,927	44,796,099

Note 4 - Detailed Notes on All Funds - continued

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

Governmental activities:	
General government	$ 368,892
Public safety	76,020
Public works	795,400
Highways and public improvements	85,589
Community services	471,105
Internal service fund	220,339
Total depreciation expense-governmental activities	2,017,345
Business-type activities:	
Water	706,809
Sewer	498,847
Storm sewer	560,609
Total depreciation expense - business-type activities	1,766,265
Total depreciation expense	$ 3,783,610

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Note 4 - Detailed Notes on All Funds - continued

Discretely presented component unit - North Davis Fire District

Business-type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 200,110	-	-	200,110
Construction in process	31,951	-	31,951	-
Total capital assets not being depreciated	232,061	-	31,951	200,110
Capital assets being depreciated:				
Buildings and improvements	2,524,964	400,455	-	2,925,419
Machinery and equipment	1,422,387	775,587	84,923	2,113,051
Total capital assets being depreciated	3,947,351	1,176,042	84,923	5,038,470
Less accumulated depreciation for:				
Buildings and improvements	220,934	68,130	-	289,064
Machinery and equipment	915,309	195,212	86,223	1,024,298
Total accumulated depreciation	1,136,243	263,342	86,223	1,313,362
Total capital assets, being depreciated, net	2,811,108	912,700	(1,300)	3,725,108
Business-type activities capital assets, net	$ 3,043,169	912,700	30,651	3,925,218

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Note 4 - Detailed Notes on All Funds - continued

Interfund receivables, payables, and transfers

Individual interfund receivable and payable balances at June 30, 2012 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	$ 506,531	-
Community Development & Renewal Agency	-	208,487
Capital Projects	145,200	-
G.O Bond Fund	802	-
Public Utility Administration	-	1,005,173
Water Utility	-	240,890
Sewer Utility	-	789
Waste Collection	1,056,059	-
Storm Drain	-	273
Internal Service Fund - Fleet	-	256,900
Nonmajor Governmental	3,920	-
	$ 1,712,512	1,712,512

Fund	Loans Receivable Other Funds	Loans Payable Other Funds
Community Development & Renewal Agency	$ -	1,200,000
Public Utility Administration	1,200,000	-
	$ 1,200,000	1,200,000

Note 4 - Detailed Notes on All Funds - continued

Interfund transfers:

Transfers out:	General Fund	G.O. Bond Fund	Capital Projects	Non-Major Governmental	Total Transfers out
General Fund	$ -	-	571,661	-	571,661
CDRA Fund	1,050,329	-	5,505	-	1,055,834
Enterprise funds	76,164	4,208	-	-	80,372
Total Transfer in	$ 1,126,493	4,208	577,166	-	1,627,495

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. Transfers between funds are to fund operating expenditures and capital projects.

Leases commitments

Discretely presented component unit - North Davis Fire District

The District purchased a aerial fire truck during the year, financed by a capital lease in the principal amount of $600,000. Leases that in substance are purchases are reported as captial lease obligations. In the government-wide statements, assets and liabilities resulting from captial 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 princpal and interest portions of capital lease payments are recorded as expenditures. The District made no princpal or interest payments during the year, since the first payment was made in September 2012.

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, 2012

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012, were as follows:

Year Ending June 30	Governmental Activities
2012	$ 69,991
2013	69,991
2014	69,991
2015	69,991
2016	69,991
Thereafter	349,951
Total minimum lease payments	699,906
Less: amount representing interest	(99,906)
Present value of minimum lease payments	$ 600,000

Note 4 - Detailed Notes on All Funds - continued

Long-term debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The original amount of general obligation bonds issued in prior years was $15,000,000. General obligation bonds totaling $10,105,000 were issued in 2005 to refund prior general obligation bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 14 to 20 year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Overpass and municipal buildings	3-5%	$ 7,895,000
		$ 7,895,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending	Governmental Activities	
June 30	Principal	Interest
2013	$ 735,000	355,150
2014	770,000	325,750
2015	800,000	293,025
2016	830,000	259,025
2017	870,000	223,750
2018-2022	3,890,000	469,000
Total	$ 7,895,000	1,925,700

Note 4 - Detailed Notes on All Funds - continued

Advance and current refundings

In April 2005, the City issued $10,105,000 in general obligation bonds to partially refund previous general obligation bonds with an outstanding balance of $12,090,000. The City has invested the proceeds in State and Local Government Securities (SLGS's) such that $9,790,000 of the previous bond balance was refunded. The refunding of the $9,790,000 is considered an in-substance defeasance and the liability has been removed from the governmental activities column of the statement of net assets. This advance refunding originally reduced total debt service payments over 16 years by $425,125 .The transaction resulted in an economic gain of $308,423. The outstanding principal balance of the defeased bond as of June 30, 2012 was $7,900,000.

Revenue Bonds

The City also issued sales tax revenue bonds which were used for City improvements for a new aquatic center, skate park, gymnasium, water and sewer projects, and road projects. The 2003 bonds were issued for $14,650,000, and are due in annual installments of $365,000 to $875,000 thru July 1, 2026. The 2006 bonds were issued for $9,700,000, and are due in annual installments of $40,000 to $975,000 through July 1, 2028. The City issued excise tax revenue bonds to finance the construction of an overpass within the City. In 2009, the City issued sales tax revenue bonds for $2,223,000. Those bonds were refunded for $2,210,000 prior to fiscal year end 2010. These bonds were issued to fund road projects and are being repaid in installments of $225,000 to $270,000 through 2020. At June 30, 2012, the outstanding balances of such issues are as follows:

Purpose	Interest Rates	Amount
Recreation improvements	2.0-5.0%	$ 2,645,000
Recreation improvements - refunding	3.625-4.150%	9,530,000
Road projects	1.5%-3.25%	1,985,000
		$ 14,160,000

Note 4 - Detailed Notes on All Funds - continued

In addition, the City's Community Development & Renewal Agency has issued tax increment revenue bonds which were used to pay off loans owed to the General and Enterprise Funds of the City. The 1996 bonds were issued for $2,275,000 and are due in annual installments of $57,000 to $165,000 through August 1, 2011 and the 2004 series bonds were issued for $1,399,000, and are due in annual installments of $130,000 to $155,000 thru May 15, 2014. At June 30, 2012, the outstanding balances of such issues were as follows:

Purpose	Interest Rates	Amount
2004 Community Development & Renewal	2.55-4.3%	$ 303,000
		$ 303,000

The City also issued water revenue bonds which were used for City improvements to its water system. The 2007 bonds were issued for $3,330,000, and are due in annual installments of $215,000 to $320,000 thru May 1, 2020. At June 30, 2011, the outstanding balances of such issues were as follows:

Purpose	Interest Rates	Amount
2007 Water Revenue Bonds	4%	$ 2,245,000
		$ 2,245,000
Total City reflected revenue bonds		$ 16,708,000

Note 4 - Detailed Notes on All Funds - continued

Revenue bond debt service requirements to maturity for the primary government are as follows:

Year Ending June 30	Principal	Interest
2013	$ 1,128,000	636,640
2014	1,165,000	596,659
2015	1,050,000	554,400
2016	1,085,000	516,425
2017	1,130,000	476,278
2018-2022	5,095,000	1,716,325
2023-2027	4,145,000	836,911
2028-2032	1,910,000	80,095
Total	$16,708,000	5,413,733

Advance and current refundings

In 2004, the government issued $1,399,000 of tax increment revenue refunding bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of $1,187,000 on tax increment revenue bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. This advance refunding originally reduced total debt service payments over 10 years by $351,950. The transaction resulted in an economic gain of $112,118. The outstanding principal balance of the defeased bond as of June 30, 2012 was $668,000.

In 2006, the government issued $9,700,000 of tax increment revenue refunding bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of $8,820,000 on tax increment revenue bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. This advance refunding originally reduced total debt service payments over 21 years by $886,817. The transaction resulted in an economic gain of $328,167. The outstanding principal balance of the defeased bond as of June 30, 2012 was $8,380,000.

In 2010, the government issued $2,210,000 of tax increment revenue refunding bonds to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of $2,223,000 on tax increment revenue bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. This advance refunding originally reduced total debt service payments over 9 years by $265,212. The transaction resulted in an economic gain of $198,828. The outstanding principal balance of the defeased bond as of June 30, 2012 was $1,846,000.

Note 4 - Detailed Notes on All Funds - continued

Notes Payable

The City has also incurred debt in the form of notes payable. The City's Community Development & Renewal Agency has issued several notes payable, which were used for land improvements, development, and infrastructure, which includes costs for street, curbs, gutter, sidewalk, parking lots, water line, sewer lines, engineering, oversight, and the survey of land. Annual installments of note payable principal range from $1,700 to $54,317 with interest rates from 0%-10.5%. All notes payable but one were repaid during 2011.

Discretely presented component unit - North Davis Fire District

Revenue Bonds

The District issued $3,100,000 in Revenue Bonds on January 9, 2008 with an interest rate of 4.63%. Bond proceeds were used to fund the construction of the new fire station in West Point City which was completed in March, 2008.

Year Ending June 30	Principal	Interest
2013	$ 125,000	122,695
2014	130,000	116,908
2015	140,000	110,889
2016	145,000	104,407
2017	150,000	97,693
2018-2022	870,000	376,651
2023-2027	1,090,000	1,558,000
Total	$ 2,650,000	2,487,243

Note Payable

On May 22, 2012, the District purchased the Station 42 building from Clearfield City for $400,455. The District executed a $200,000 note payable to Clearfield City due in May 2013 for the balance of the purchase price.

Note 4 - Detailed Notes on All Funds - continued

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable					
General obligation bonds	$ 8,605,000	-	(710,000)	7,895,000	735,000
General obligation bonds - premium	161,224	-	(17,914)	143,310	-
Revenue bonds	15,480,000	-	(1,017,000)	14,463,000	883,000
Revenue bonds - premium	38,414	-	(5,486)	32,928	-
Total bonds payable	24,284,638	-	(1,750,400)	22,534,238	1,618,000
Notes payable	30,000	-	(30,000)	-	-
Compensated absences	385,896	297,638	(247,336)	436,198	279,577
Governmental activity long-term liabilities	$24,700,534	297,638	(2,027,736)	22,970,436	1,897,577
Business-type activities:					
Bonds payable					
Revenue bonds	$ 2,480,000	-	(235,000)	2,245,000	245,000
Revenue bonds - premium	16,178	-	(2,023)	14,155	-
Compensated absences	50,436	39,597	(46,312)	43,721	15,302
Business-type activities: long-term liabilities	$ 2,546,614	39,597	(283,335)	2,302,876	260,302

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

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	$ 2,770,000	-	(120,000)	2,650,000	125,000
Capital leases	-	600,000	-	600,000	54,791
Note payable	-	200,000	-	200,000	200,000
Compensated absences	110,389	-	(4,197)	106,192	-
Total component unit long-term liabilities	$ 2,880,389	800,000	(124,197)	3,556,192	379,791

Note 5 - Other Information

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.

Retirement plans

Local governmental - cost sharing defined benefits pension plans

Plan description

Clearfield City Corporation (City) contributes to the Local Governmental Contributory Retirement System (Contributory System) and Local Governmental Noncontributory Retirement System (Noncontributory System), the Public Safety Retirement System (Public Safety System) for employers with social security coverage, all of which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). The Systems provide refunds, retirement benefits, annual cost of living adjustment, and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the State and School Contributory Retirement System and State and School Noncontributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement System, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Note 5 - Other Information - continued

Funding Policy

Plan members are required to contribute a percent of their covered salary (all or part may be paid by the employer) to the respective systems to which they belong. The City is required to contribute a percent of covered salary to the respective systems, 10.330% to the Contributory, 13.370% to the Noncontributory, 16.270% to the Public Safety Contributory, and 27.070% to the Public Safety Noncontributory. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

The City's contributions to the various systems for the years ending June 30, 2012, 2011 and 2010 respectively were; for the Local Governmental Contributory Retirement System, $9,811, $0, and $0; for the Local Governmental Noncontributory Retirement System, $463,986, $455,203, and $418,021; for the Public Safety Contributory Retirement System; $3,365, $0, and $0; and for the Public Safety Noncontributory Retirement System, $406,345, $375,024, and $341,500 respectively. The contributions were equal to the required contributions for each year.

Deferred Compensation Plan

The City offers its employees a Deferred Compensation Plan (the Plan) in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The payment of deferred compensation is not available to employees until termination, retirement, death, or emergency. The City's contributions to the 457 Deferred Compensation Plan were $51,807 for the year ended June 30, 2012.

Defined Contribution Plan

The 401(k) plan provided by International City Management Association (ICMA) is a multiple-employer defined contribution plan. All employees of the City who participate in the Utah Retirement System contributory, noncontributory, or firefighters system are eligible to participate in the plan. Employees are immediately 100 percent vested in their contributions to the plan. Employee contributions to the 401(k) plan and the Deferred Compensation Plan are voluntary. Employer contributions are also voluntary and are determined by the City Council and are intended to standardize a minimum retirement contribution of 13% for all full-time employees participating in the Utah Retirement System. Plan provisions and contribution requirements are established and may be amended by the Clearfield City Council. The City's contributions to the 401(k) plan were $57,314 for the year ended June 30, 2012.

Note 5 - Other Information - continued

Contingent liabilities

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.

There are a few potential lawsuits in which the City is involved. The City's attorney estimates that the potential claims against the City resulting from such litigation not covered by insurance would not materially affect the financial statements of the City.

Community Development & Renewal Agency

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

Area #6	$ 249,069
Area #7	338,926
Area #8	227,499
Area #9	297,682
Area #10	333,964
EDA	920,063
Total Increment Money	$ 2,367,203

Outstanding debt of the CDRA consists of the following:

Tax Increment Bonds- Series 2004	$ 303,000
Advances from and amounts due to other funds	1,408,487
	$ 1,711,487

During the year, the CDRA expended monies in the categories below as follows:

Administration Costs	$ 130,204
Debt repayment and bond issuance costs	370,482
	$ 500,686

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, 2012, the following bonds were outstanding:

Company	Balance at June 30, 2012
Oakstone, L.C. 1997A and B	$ 15,000,000
Utah Stamping Company 2005	3,000,000

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

Subsequent events

Subsequent events have been evaluated through November 9, 2012, 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.

SUPPLEMENTAL INFORMATION

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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, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance-Positive (Negative)
Revenues				
Interest	$ -	-	178	178
Expenditures				
Capital outlay	763,500	895,534	1,140,023	(244,489)
Excess (deficiency) of revenues over (under) expenditures	(763,500)	(895,534)	(1,139,845)	(244,311)
Other Financing Sources (Uses)				
Transfers in	447,000	579,034	577,166	(1,868)
Total other financing sources (uses)	447,000	579,034	577,166	(1,868)
Net change in fund balances	(316,500)	(316,500)	(562,679)	(246,179)
Fund balances, beginning of year	875,432	875,432	875,432	-
Fund balances, end of year	$ 558,932	558,932	312,753	(246,179)

Clearfield City Corporation
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - G.O. Bond
For the Year Ended June 30, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance-Positive (Negative)
Revenues				
Taxes	$ 866,019	866,019	1,089,842	223,823
Total revenues	866,019	866,019	1,089,842	223,823
Expenditures				
Bond issue costs	500	500	500	-
Principal retirement	710,000	710,000	710,000	-
Interest and fiscal charges	383,550	383,550	383,550	-
Total expenditures	1,094,050	1,094,050	1,094,050	-
Excess (deficiency) of revenues over expenditures	(228,031)	(228,031)	(4,208)	223,823
Other Financing Sources (Uses)				
Transfers in	228,031	228,031	4,208	(223,823)
Total other financing sources (uses)	228,031	228,031	4,208	(223,823)
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	802	802	802	-
Fund balances, end of year	$ 802	802	802	-

Clearfield City Corporation

Combining Balance Sheet - Nonmajor Governmental Funds

For the Year Ended June 30, 2012

	Capital Projects	Permanent Fund	
	Parks	Cemetery Perpetual Care	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 14,617	-	14,617
Due from other funds	9	3,911	3,920
Restricted cash and cash equivalents	181,231	173,291	354,522
Total assets	195,857	177,202	373,059
Liabilities and Fund Balances			
Liabilities			
Due to other funds	-	-	-
Total liabilities	-	-	-
Fund balances			
Restricted for:			
Capital projects	181,231	-	181,231
Cemetery perpetual care	-	173,291	173,291
Assigned, reported in:			
Capital projects funds	14,626	3,911	18,537
Total fund balances	195,857	177,202	373,059
Total liabilities and fund balances	$ 195,857	177,202	373,059

Clearfield City Corporation

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

For the Year Ended June 30, 2012

	Capital Projects	Permanent Fund	Total Nonmajor Governmental Fund
	Parks	Cemetery Perpetual Care	
Revenues			
Intergovernmental	$ -	11,100	11,100
Impact fees	22,178	-	22,178
Interest	1,227	1,203	2,430
Total	23,405	12,303	35,708
Expenditures			
General government	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	23,405	12,303	35,708
Other Financing Sources (Uses)			
Transfers in	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	23,405	12,303	35,708
Fund balances, beginning of year	172,452	164,899	337,351
Fund balances, end of year	195,857	177,202	373,059

Clearfield City Corporation
Statement of Changes in Assets and Liabilities
Fiduciary Fund
For the Year Ended June 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Assets				
Cash and cash equivalents	$ 43,381	54,000	59,750	37,631
Total assets	$ 43,381	54,000	59,750	37,631
Liabilities				
Due to developers	$ 43,381	54,000	59,750	37,631
Total liabilities	$ 43,381	54,000	59,750	37,631

Clearfield City Corporation
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Parks Fund
For the Year Ended June 30, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance-Positive (Negative)
Revenues				
Interest	$ 720	720	1,227	507
Impact fees	6,653	6,653	22,178	15,525
	7,373	7,373	23,405	16,032
Expenditures				
General government	15,000	15,000	-	15,000
Excess of revenue over expenditures	(7,627)	(7,627)	23,405	31,032
Other Financing Sources (Uses)				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(7,627)	(7,627)	23,405	31,032
Fund balances, beginning of year	172,452	172,452	172,452	-
Fund balances, end of year	$ 164,825	164,825	195,857	31,032

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, 2012

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance-Positive (Negative)
Revenues				
Interest	$ 775	775	1,203	428
Intergovernmental	8,700	8,700	11,100	2,400
Total revenues	9,475	9,475	12,303	2,828
Expenditures				
General government	9,475	9,475	-	9,475
Excess (deficiency) of revenues over expenditures	-	-	12,303	12,303
Other Financing Sources (Uses)				
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	12,303	12,303
Fund balances, beginning of year	164,899	164,899	164,899	-
Fund balances, end of year	$ 164,899	164,899	177,202	12,303

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

Clearfield City Corporation
Schedule of General Capital Assets - By Source
June 30, 2012

	Totals June 30, 2012
General Capital Assets	
Land	$ 4,943,221
Water rights	25,200
Buildings	25,082,544
Improvements	1,874,354
Machinery and equipment	6,909,660
Infrastructure	33,744,653
Construction in progress	2,814,206
Total general capital assets	75,393,838
Investment in General Capital Assets by Source	
General fund	23,263,323
Capital projects funds	47,914,803
Grants	4,215,712
Total investment in general capital assets	$ 75,393,838

Clearfield City Corporation
Schedule of General Capital Assets - By Function and Activity
June 30, 2012

Function and activity	Land	Water Rights	Buildings	Improvements	Machinery and Equipment	Infra-structure	Construction In Progress	Totals
General government								
Executive	$ -	-	11,952,022	-	113,951	-	13,485	12,079,458
Justice court	-	-	-	1,988	31,335	-	-	33,323
Information technology	-	-	-	-	1,505,925	-	-	1,505,925
Finance and administration	-	-	-	2,460	75,798	-	-	78,258
Building	-	-	-	176,091	142,648	-	-	318,739
Other	2,464,936	25,200	-	-	-	-	-	2,490,136
Total general government	2,464,936	25,200	11,952,022	180,539	1,869,657	-	13,485	16,505,839
Community development								
Administration	-	-	-	-	49,142	-	-	49,142
Public safety								
Police	-	-	-	-	561,192	-	76,610	637,802
Dispatch	-	-	-	45,942	250,483	-	-	296,425
Total public safety	-	-	-	45,942	811,675	-	76,610	934,227
Highways and public improvements								
Maintenance	-	-	-	631	8,270	-	-	8,901
Shops	-	-	74,895	-	198,246	-	-	273,141
Streets	-	-	-	119,689	93,873	33,219,168	2,724,111	36,156,841
Total highways and public improvements	-	-	74,895	120,320	300,389	33,219,168	2,724,111	36,438,883
Community services								
Parks	2,503,485	-	818,510	1,502,353	445,468	525,485	-	5,795,301
Maintenance	-	-	-	-	931	-	-	931
Aquatic center	-	-	12,237,117	-	225,971	-	-	12,463,088
Recreation	-	-	-	-	88,403	-	-	88,403
Total community services	2,503,485	-	13,055,627	1,502,353	760,773	525,485	-	18,347,723
Internal service fund - fleet	-	-	-	-	3,118,024	-	-	3,118,024
Total general capital assets	$ 4,968,421	25,200	25,082,544	1,849,154	6,909,660	33,744,653	2,814,206	75,393,838

Clearfield City Corporation

Schedule of Changes in General Capital Assets - By Function and Activity

June 30, 2012

Function and Activity	General Capital Assets June 30, 2011	Additions	Deletions	General Capital Assets June 30, 2012
General government				
Executive	$ 12,689,393	30,635	640,570	12,079,458
Justice court	34,808	-	1,485	33,323
Information technology	1,442,460	84,675	21,210	1,505,925
Finance and administration	54,448	23,810	-	78,258
Buildings	205,934	112,805	-	318,739
Other	2,642,959	-	152,823	2,490,136
Total general government	17,070,002	251,925	816,088	16,505,839
Community development				
Administration	49,142	-	-	49,142
Public safety				
Police	592,485	76,611	31,294	637,802
Dispatch	313,776	3,394	20,745	296,425
Total public safety	906,261	80,005	52,039	934,227
Highways and public improvements				
Maintenance	631	8,270	-	8,901
Shops	281,411	-	8,270	273,141
Streets	35,030,607	1,126,234	-	36,156,841
Total highways and public improvements	35,312,649	1,134,504	8,270	36,438,883
Community services				
Parks	5,776,037	19,264	-	5,795,301
Aquatic center	12,489,997	-	26,909	12,463,088
Maintenance	931	-	-	931
Recreation	90,239	-	1,836	88,403
Total community service	18,357,204	19,264	28,745	18,347,723
Internal service fund - fleet	3,056,282	344,746	283,004	3,118,024
Total general capital assets	$ 74,751,540	1,830,444	1,188,146	75,393,838

STATISTICAL SECTION

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 Assets by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	$ 6,907,875	8,078,750	9,878,324	9,796,336	9,792,559	11,226,398	11,229,615	10,684,837	12,506,584	13,775,641
Restricted	1,103,660	632,850	573,713	4,510,594	5,406,581	2,368,930	3,157,193	5,199,538	4,958,333	3,015,238
Unrestricted	5,610,888	5,695,189	5,496,229	3,348,510	1,651,639	2,146,117	1,952,266	896,019	1,730,456	5,697,952
Total governmental activities net assets	13,622,423	14,406,789	15,948,266	17,655,440	16,850,779	15,741,445	16,339,074	16,780,394	19,195,373	22,488,831
Business-type activities										
Invested in capital assets, net of related debt	(449,405)	7,266,728	8,323,285	8,685,553	37,957,402	40,872,119	40,459,590	39,209,218	38,596,646	42,536,944
Restricted	414,919	108,398	98,497	113,208	3,386,643	5,728,025	5,236,082	3,078,859	2,616,983	1,712,629
Unrestricted	10,793,483	6,664,273	7,418,015	6,935,467	8,034,733	5,980,543	6,912,041	10,169,423	10,980,894	11,349,674
Total business-type activities net assets	10,758,997	14,039,399	15,839,797	15,734,228	49,378,778	52,580,687	52,607,713	52,457,500	52,194,523	55,599,247
Primary government										
Invested in capital assets, net of related debt	(449,405)	7,266,728	8,323,285	8,685,553	37,957,402	52,098,517	51,689,205	49,894,055	51,103,230	56,312,585
Restricted	1,518,579	741,248	672,210	4,623,802	8,793,224	8,096,955	8,393,275	8,278,397	7,575,316	4,727,867
Unrestricted	16,404,371	12,359,462	12,914,244	10,283,977	9,686,372	8,126,660	8,864,307	11,065,442	12,711,350	17,047,626
Total primary government net assets	$ 17,473,545	20,367,438	21,909,739	23,593,332	56,436,998	68,322,132	68,946,787	69,237,894	71,389,896	78,088,078

Clearfield City Corporation

Table 2 - Changes in Net Assets

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	$ 3,311,899	3,777,907	4,099,536	4,989,256	4,682,965	4,720,553	4,665,323	4,944,458	4,363,191	3,771,942
Public safety	4,081,813	4,310,959	4,788,486	4,707,841	3,440,153	3,646,990	3,640,464	3,789,561	4,038,550	3,893,612
Highways and public improvements	787,040	720,798	829,769	1,013,820	1,588,695	1,353,026	4,004,225	1,363,122	1,204,022	1,407,454
Debt service	-	(519)	414,182	-	-	-	-	-	-	-
Community services	1,515,550	1,490,829	1,801,677	2,542,861	2,926,392	3,201,188	3,362,671	3,381,382	3,518,420	3,883,509
Community development	217,899	147,426	614,422	340,805	764,399	769,853	843,600	782,623	1,018,528	514,315
Capital outlay	-	1,500	-	-	-	-	-	-	-	-
Interest on long-term debt	1,124,791	1,561,119	1,346,825	1,335,936	1,769,555	1,043,794	1,216,615	1,083,758	1,066,514	974,740
Total governmental activities	11,038,992	12,010,019	13,894,897	14,930,519	15,172,159	14,735,404	17,732,898	15,344,904	15,209,225	14,445,572
Business-type activities:										
Administration	-	-	-	-	138,879	265,041	288,567	258,512	280,137	255,994
Water utility	1,599,850	1,690,869	1,906,579	1,811,303	2,659,152	3,047,802	3,203,892	3,022,477	3,270,047	3,369,811
Sewer utility	1,349,429	1,341,354	1,500,568	1,478,375	1,885,883	1,953,459	1,982,423	2,229,146	2,429,889	2,404,677
Waste collection	1,286,064	1,198,136	1,144,860	1,081,481	981,352	1,010,683	994,856	1,068,563	1,056,648	1,096,444
Storm drain	213,442	162,925	174,667	242,043	788,642	757,544	774,457	810,427	917,836	900,220
Ambulance service	270,369	315,031	512,011	-	-	-	-	-	-	-
Total business-type activities	4,719,154	4,708,315	5,238,685	4,613,202	6,453,908	7,034,529	7,244,195	7,389,125	7,954,557	8,027,146
Total primary government	$ 15,758,146	16,718,334	19,133,582	19,543,721	21,626,067	21,769,933	24,977,093	22,734,029	23,163,782	22,472,718

Clearfield City Corporation

Table 2 - Changes in Net Assets

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Program Revenues										
Governmental activities:										
Charges for services										
General government	$ 789,379	1,101,950	1,385,575	1,076,566	1,290,713	1,424,031	1,682,490	1,506,417	1,533,299	1,521,045
Public safety	949,910	1,315,066	1,470,906	1,661,720	1,574,291	1,526,867	1,509,713	1,432,264	1,297,907	1,349,386
Highways and public improvements	952,760	546,315	523,148	479,263	-	-	-	-	-	-
Community services	459,340	438,468	585,698	1,373,500	1,703,051	1,716,925	1,748,047	1,723,027	1,852,665	1,788,547
Community development	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	898,416	1,346,026	1,439,909	1,062,939	1,736,182	1,011,690	1,016,117	966,684	887,377	924,175
Capital grants and contributions	-	-	-	-	-	-	617,100	268,198	1,259,993	293,872
Total governmental activities	4,049,805	4,747,825	5,405,236	5,653,988	6,304,237	5,679,513	6,573,467	5,896,590	6,831,241	5,877,025
Business-type activities:										
Charges for services										
Administration	-	-	-	-	84,146	116,991	119,159	140,935	145,197	156,956
Water utility	2,250,635	2,536,500	2,471,975	2,607,700	2,743,116	2,889,292	2,941,440	2,869,716	3,047,459	3,297,870
Sewer utility	1,654,420	1,816,428	1,839,477	1,891,575	1,888,952	1,881,440	1,934,614	2,101,417	2,156,850	2,267,037
Waste collection	1,377,814	1,443,799	1,440,182	1,428,771	1,296,784	1,189,402	1,208,019	1,215,655	1,216,840	1,223,850
Storm drain	449,188	451,364	451,020	449,679	509,834	584,695	758,345	779,766	800,316	830,130
Ambulance service	388,104	440,215	492,820	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	290,000
Total business-type activities	6,120,161	6,688,306	6,695,474	6,377,725	6,522,832	6,661,820	6,961,577	7,107,489	7,366,662	8,065,843
Total primary government	10,169,966	11,436,131	12,100,710	12,031,713	12,827,069	12,341,333	13,535,044	13,004,079	14,197,903	13,942,868
Net (expense) / revenue										
Governmental activities	(6,989,187)	(7,262,194)	(8,489,661)	(9,276,531)	(8,867,922)	(9,055,891)	(11,159,431)	(9,448,314)	(8,377,984)	(8,568,547)
Business-type activities	1,401,007	1,979,991	1,456,789	1,764,523	68,924	(372,709)	(282,618)	(281,636)	(587,895)	38,697
Total primary government	$ (5,588,180)	(5,282,203)	(7,032,872)	(7,512,008)	(8,798,998)	(9,428,600)	(11,442,049)	(9,729,950)	(8,965,879)	(8,529,850)

Clearfield City Corporation

Table 2 - Changes in Net Assets

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenue and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	$ 3,753,082	3,902,388	4,489,184	3,326,539	2,778,450	3,454,703	3,760,325	3,582,694	3,549,977	4,976,559
General sales and use tax	2,459,386	2,800,536	2,745,620	3,080,936	3,612,893	3,610,112	3,225,351	2,922,375	3,128,336	3,404,944
Franchise tax	466,750	598,269	891,121	898,676	946,761	910,973	903,058	879,213	833,116	896,961
Energy use tax	1,476,890	1,642,523	1,752,874	2,001,987	1,841,854	1,981,196	1,958,311	1,965,037	2,155,374	2,160,778
Transient room tax	-	-	-	-	-	-	-	8,231	5,927	6,565
Interest earnings	202,352	294,630	307,660	308,299	363,275	386,571	130,172	54,125	51,381	62,548
Impact fees	-	-	-	-	-	45,209	44,282	41,797	17,060	22,178
Miscellaneous	284,098	45,038	(149)	(298,386)	(38,793)	6,100	5,950	5,450	10,950	11,100
Proceeds from settlement	-	-	-	-	-	-	1,350,000	-	775,000	240,000
Transfers	(63,261)	(1,236,824)	(155,172)	1,665,654	180,104	(2,818,360)	379,611	430,712	506,530	80,372
Contribution of capital asset	-	-	-	-	-	-	-	-	(240,688)	-
Total governmental activities	8,579,297	8,046,560	10,031,138	10,983,705	9,684,544	7,576,504	11,757,060	9,889,634	10,792,963	11,862,005
Business-type activities:										
Interest earnings	54,243	63,587	176,429	315,367	443,179	556,539	296,874	86,970	60,988	80,165
Impact fees	-	-	-	-	-	205,459	362,931	473,965	177,061	266,464
Miscellaneous	1,215	-	12,008	(519,806)	28,754	(5,740)	29,452	1,200	352,711	8,080
Transfers	63,261	1,236,824	155,172	(1,665,654)	(180,104)	2,818,360	(379,611)	(430,712)	(506,530)	(80,372)
Contribution of capital asset	-	-	-	-	-	-	-	-	240,688	3,091,690
Total business-type activities	118,719	1,300,411	343,609	(1,870,093)	291,829	3,574,618	309,646	131,423	324,918	3,366,027
Total primary government	$ 8,698,016	9,346,971	10,374,747	9,113,612	9,976,373	11,151,122	12,066,706	10,021,057	11,117,881	15,228,032
Change in Net Assets										
Governmental activities	$ 1,590,110	784,366	1,541,477	1,707,174	816,622	(1,479,387)	597,629	441,320	2,414,979	3,293,458
Business-type activities	1,519,726	3,280,402	1,800,398	(105,570)	360,753	3,201,909	27,028	(150,213)	(262,977)	3,404,724
Total primary government	$ 3,109,836	4,064,768	3,341,875	1,601,604	1,177,375	1,722,522	624,657	291,107	2,152,002	6,698,182

Clearfield City Corporation

Table 3 - Governmental Activities Tax Revenue by Source (1)

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	Total Tax Revenue
2003	$ 2,204,668	$ 939,679	$ 608,735	$ 2,459,386	$ 1,476,890	$ 466,750	$ 8,156,108
2004	2,234,699	1,197,528	552,498	2,545,055	1,642,523	598,269	8,770,572
2005	2,325,678	1,320,874	593,160	2,745,620	1,752,874	891,121	9,629,327
2006	1,336,573	1,354,807	635,159	3,080,936	2,001,987	898,676	9,308,138
2007	986,513	1,300,310	491,627	3,612,893	1,841,854	946,761	9,179,958
2008	1,293,655	1,399,669	761,379	3,610,112	1,981,196	910,973	9,956,984
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	9,349,319
2011	1,064,353	1,803,431	682,193	3,128,336	2,155,374	833,116	9,666,803
2012	1,519,514	2,367,203	1,089,842	3,404,944	2,160,778	896,961	11,439,242

(1) Reclassification of some franchise taxes to energy use taxes per state statute.

Clearfield City Corporation

Table 4 - Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund										
Nonspendable	$ 30,443	26,637	759	18,755	313,874	51,611	80,885	287,123	47,220	61,907
Restricted	14,650,000	-	-	-	370,053	1,310,699	1,297,551	1,531,770	1,658,586	1,574,563
Committed	-	-	-	-	-	-	-	899,687	595,334	514,529
Assigned	-	-	-	-	-	-	-	40,787	36,795	56,779
Unassigned	1,526,182	2,946,190	1,933,088	1,656,701	1,592,608	2,450,054	2,931,551	1,572,607	2,309,607	4,172,083
Total general fund	16,206,625	2,972,827	1,933,847	1,675,456	2,276,535	3,812,364	4,309,987	4,331,974	4,647,542	6,379,861
All other governmental funds										
Nonspendable	1,006,810	632,850	573,712	563,295	563,294	1,167,271	1,167,271	708,964	708,964	709,004
Restricted for:										
Debt service funds	79,826	26,945	15,613	52,315	399,947	402,925	393,285	386,768	385,647	140,597
Capital projects funds	49,408	49,408	19,408	4,339,129	4,310,460	517,507	152,409	957,080	892,086	355,876
Cemetery perpetual care	88,461	99,491	107,994	119,141	132,871	110,839	116,889	153,104	138,922	173,291
Committed	-	-	-	-	-	-	-	275,042	531,574	406,011
Assigned, reported in:										
Capital projects funds	-	-	-	-	-	-	-	146,036	181,775	156,645
Special revenue funds	-	-	-	-	-	-	-	-	-	1,263,136
Unassigned, reported in:										
Special revenue funds	(795,407)	(231,759)	129,073	(83,019)	3,390	(510,919)	(189,697)	-	-	-
Debt service funds	-	-	-	-	-	801	801	-	-	-
Capital projects funds	3,861,066	10,781,994	5,299,746	1,412,262	1,414,219	819,219	918,798	-	-	-
Cemetery perpetual care	-	-	-	-	-	26,960	29,788	-	-	-
Total all other governmental funds	$ 4,290,164	11,358,929	6,145,546	6,403,123	6,824,181	2,534,603	2,589,544	2,626,994	2,838,968	3,204,560
General fund balance unrestricted % of total estimated revenue for coming year	15.06%	25.12%	15.31%	12.76%	11.50%	17.24%	21.89%	19.41%	23.20%	38.43%

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	$ 8,110,293	8,857,144	9,754,063	10,507,143	9,179,958	9,956,984	9,847,045	9,357,550	9,672,730	11,445,807
Rents and other services	153,021	637,062	819,835	577,727	873,375	994,127	1,276,766	1,080,221	1,154,622	1,148,197
Intergovernmental	904,616	1,349,822	1,445,209	1,068,789	1,741,082	1,017,790	1,022,067	1,240,332	2,158,320	1,229,147
Charges for services	1,393,124	1,248,434	1,448,606	2,332,049	2,661,630	2,652,473	2,648,675	2,626,047	2,688,744	2,651,439
Impact fees	952,760	546,315	523,148	479,263	293,689	45,209	44,282	41,797	17,060	22,178
Fines and forfeitures	613,005	913,174	1,035,736	1,140,610	1,092,308	1,042,473	1,009,685	940,385	824,050	836,329
Interest	202,352	301,864	287,303	287,942	379,029	366,925	110,526	30,725	27,981	49,530
Miscellaneous revenue	33,279	56,814	138,002	61,400	24,964	7,244	10,116	14,104	14,100	19,849
Total revenues	12,362,450	13,910,629	15,451,902	16,454,923	16,246,035	16,083,225	15,969,162	15,331,161	16,557,607	17,402,476
Expenditures										
Current										
General government	2,895,562	3,242,854	3,714,464	4,436,855	4,117,561	3,757,775	4,042,501	4,416,391	4,468,769	3,791,141
Public safety	3,858,222	4,270,514	4,719,416	4,724,461	3,312,474	3,616,083	3,660,749	3,932,189	4,212,321	3,894,202
Highways and public improv.	887,931	913,066	924,292	961,903	961,374	683,016	799,811	1,022,875	433,557	535,484
Community services	1,508,504	1,436,295	1,788,078	2,372,712	2,558,125	2,877,875	3,005,011	2,964,755	3,157,436	3,418,717
Community development	217,899	147,426	614,422	340,805	764,399	769,853	843,600	782,623	1,018,528	514,315
Capital outlay	1,970,364	5,992,632	7,191,765	2,560,647	1,383,757	2,921,062	2,132,164	2,151,643	452,680	1,140,023
Debt service										
Principal retirement	1,570,655	1,382,447	1,647,009	1,629,104	1,413,854	1,440,866	1,442,039	1,677,281	2,513,348	1,757,000
Interest and fiscal charges	989,886	1,337,429	1,496,126	1,252,059	1,691,335	1,241,303	1,219,625	1,071,084	1,057,949	978,676
Cost of issuance	-	-	72,858	-	192,554	32,500	-	99,910	-	-
Total expenditures	13,899,023	18,722,663	22,168,430	18,278,546	16,395,433	17,340,333	17,145,500	18,118,751	17,314,588	16,029,558
Excess (deficiency) revenues over (under) expenditures	$ (1,536,573)	(4,812,034)	$ (6,716,528)	(1,823,623)	(149,398)	(1,257,108)	(1,176,338)	(2,787,590)	(756,981)	1,372,918

Clearfield City Corporation

Table 5 - Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Years									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other Financing Sources (Uses)										
Issuance of bonds payable	$ 14,650,000	-	-	150,000	-	1,300,000	-	2,223,000	-	-
Issuance of refunding bonds	-	-	11,576,858	-	9,700,000	-	-	2,210,000	-	-
Payment to refunding bonds escrows	-	-	(11,542,000)	-	(8,820,000)	-	-	(2,223,000)	-	-
Premium on bond issuance	125,235	-	286,622	-	(24,056)	-	-	33,794	-	-
Issuance of notes payable	300,000	-	-	-	-	-	-	-	-	-
Issuance of capital lease	-	201,500	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	284,098	34,008	5,310	7,155	5,098	21,710	-	172,521	2,626	404,621
Proceeds from settlement	-	-	-	-	-	-	1,350,000	-	775,000	240,000
Transfers in	2,223,412	14,282,834	3,056,039	4,010,224	3,291,372	3,580,388	1,723,293	2,138,659	1,886,154	1,707,868
Transfers (out)	(2,286,673)	(15,519,658)	(3,211,210)	(2,344,570)	(3,111,268)	(6,398,748)	(1,344,390)	(1,707,947)	(1,379,257)	(1,627,496)
Total other financing sources	15,296,072	(1,001,316)	171,619	1,822,809	1,041,146	(1,496,650)	1,728,903	2,847,027	1,284,523	724,993
Net change in fund balances	13,759,499	(5,813,350)	(6,544,909)	(814)	891,748	(2,753,758)	552,565	59,437	527,542	2,097,911
Fund balances - beginning of year	6,737,290	20,496,789	14,624,302	8,079,393	8,208,976	9,100,724	6,346,966	6,899,531	6,958,968	7,486,510
Fund balances - end of year	$ 20,496,789	14,683,439	8,079,393	8,078,579	9,100,724	6,346,966	6,899,531	6,958,968	7,486,510	9,584,421
Debt service as a percentage of noncapital expenditures	22.42%	22.55%	22.17%	18.83%	20.97%	18.62%	15.90%	17.60%	22.42%	18.63%

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	Total Tax Revenue
2003	$ 2,158,853	$ 939,679	$ 608,735	$ 2,459,386	$ 1,476,890	$ 466,750	$ 8,110,293
2004	2,321,271	1,197,528	552,498	2,545,055	1,642,523	598,269	8,857,144
2005	2,450,414	1,320,874	593,160	2,745,620	1,752,874	891,121	9,754,063
2006	2,535,578	1,354,807	635,159	3,080,936	2,001,987	898,676	10,507,143
2007	986,513	1,300,310	491,627	3,612,893	1,841,854	946,761	9,179,958
2008	1,293,655	1,399,669	761,379	3,610,112	1,981,196	910,973	9,956,984
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	9,349,319
2011	1,064,353	1,803,431	682,193	3,128,336	2,155,374	833,116	9,666,803
2012	1,519,514	2,367,203	1,089,842	3,404,944	2,160,778	896,961	11,439,242

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 Residential Property	Real Property Commercial Property	Personal Property	Taxable Value (in thousands)	Total Direct Tax Rate	Estimated Actual Value (in thousands)	Ratio of Taxable to Estimated Actual Value
2002-03	$ 345,639	$ 308,576	$ 244,730	$ 898,945	0.002916	$ 1,306,073	68.8%
2003-04	365,077	346,975	236,611	948,663	0.002916	1,387,860	68.4%
2004-05	382,530	415,766	207,249	1,005,545	0.002980	1,420,205	70.8%
2005-06	396,973	406,509	209,386	1,012,868	0.002980	1,347,738	75.2%
2006-07	427,770	422,495	196,376	1,046,641	0.002980	1,435,070	72.9%
2007-08	473,136	442,417	225,418	1,140,971	0.001580	1,502,242	76.0%
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%

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

				Overlapping Rates							
	Clearfield City			Davis County School			Davis County				Total
Fiscal Year	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
2003	0.2271%	0.0645%	0.2916%	0.3803%	0.3443%	0.7246%	0.1401%	0.0000%	0.1401%	0.1448%	1.3011%
2004	0.2271%	0.0645%	0.2916%	0.3825%	0.3450%	0.7275%	0.1700%	0.0168%	0.1868%	0.1487%	1.3546%
2005	0.2321%	0.0659%	0.2980%	0.3921%	0.3446%	0.7367%	0.1695%	0.0169%	0.1864%	0.1486%	1.3697%
2006	0.2321%	0.0659%	0.2980%	0.3806%	0.3432%	0.7238%	0.1501%	0.0175%	0.1676%	0.1473%	1.3367%
2007	0.0920%	0.0660%	0.1580%	0.3494%	0.3388%	0.6882%	0.1424%	0.0108%	0.1532%	0.2830%	1.2824%
2008	0.0920%	0.0660%	0.1580%	0.4308%	0.2571%	0.6879%	0.1863%	0.0142%	0.2005%	0.2837%	1.3301%
2009	0.0944%	0.0604%	0.1548%	0.4193%	0.2571%	0.6764%	0.1653%	0.0123%	0.1776%	0.2543%	1.2631%
2010	0.0976%	0.0596%	0.1572%	0.4547%	0.2571%	0.7118%	0.1739%	0.0126%	0.1865%	0.2829%	1.3384%
2011	0.0871%	0.0677%	0.1548%	0.5289%	0.2571%	0.7860%	0.1817%	0.0128%	0.1945%	0.1179%	1.2532%
2012	0.1009%	0.0791%	0.1800%	0.6290%	0.2571%	0.8861%	0.1960%	0.0137%	0.2097%	0.2962%	1.5720%

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

	2012			2003		
Taxpayer	Taxable Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Value	Rank	Percentage of Total Taxable Assessed Value
Freeport Center Associates	$ 190,840,190	1	13.78%	101,494,525	1	10.76%
ATK Aerospace	60,454,598	2	3.99%	45,511,038	2	4.83%
Lifetime Products	33,454,779	3	2.16%			
Wayne Belleau	30,398,438	4	2.15%			
Pacific Corp	26,484,914	5	1.84%			
Worthington Foods, Inc.	23,772,144	6	1.82%			
Utility Trailer	21,571,000	7	1.42%	20,500,896	4	2.17%
Prologis First Us Properties, LP	22,800,574	8	1.31%			
BG Properties Clearfield LLC / Northrop Grum	27,163,825	9	1.31%			
K & M Two	16,633,815	10	1.20%			
Qwest Communications				22,394,716	3	2.37%
Boyer TRW				19,714,844	5	2.09%
Gardenburger				12,042,240	6	1.28%
Americold Real Estate, LP				11,047,768	7	1.17%
Union Pacific Railroad Co.				7,371,040	8	0.78%
Oakstone LC				6,427,053	9	0.68%
Clearfield Land Management				5,376,214	10	0.57%
	$ 453,574,277			$ 251,880,334		

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
2002-03	$ 2,539,579	$ 2,390,407	94.13%	$ 149,172	$ 2,539,579	100.00%
2003-04	2,646,384	2,459,772	92.95%	186,612	2,646,384	100.00%
2004-05	2,823,641	2,621,438	92.84%	202,203	2,823,641	100.00%
2005-06	2,845,492	2,669,424	93.81%	176,068	2,845,492	100.00%
2006-07	1,808,518	1,709,123	94.50%	99,395	1,808,518	100.00%
2007-08	1,700,798	1,567,286	92.15%	127,383	1,694,669	99.64%
2008-09	1,908,163	1,780,102	93.29%	116,106	1,896,208	99.37%
2009-10	1,885,303	1,748,134	92.72%	125,237	1,873,371	99.37%
2010-11	2,024,290	1,810,238	89.43%	189,231	1,999,469	98.77%
2011-12	2,170,606	1,995,065	91.91%	132,363	2,127,428	98.01%

Source: Davis County Auditor's Office

Clearfield City Corporation

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

	Governmental Activities				Business-Type Activities				
Fiscal Year	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2002-03	$ 13,205,000	$ 18,062,000	$ 746,063	$ 622,491	$ 161,442	$267,964	$ 33,064,960	0.48%	$ 1,218.04
2003-04	12,655,000	17,664,000	689,434	477,311	-	124,934	31,610,679	0.44%	1,155.78
2004-05	12,405,000	17,036,000	559,443	229,743	-	55,347	30,285,533	0.39%	1,101.29
2005-06	11,750,000	16,190,000	670,132	148,261	-	-	28,758,393	0.34%	1,035.41
2006-07	11,175,000	16,382,000	603,499	63,789	3,330,000	-	31,554,288	0.33%	1,122.93
2007-08	10,575,000	16,953,000	534,072	21,596	3,125,000	-	31,208,668	0.31%	1,106.69
2008-09	9,950,000	16,190,000	461,629	-	2,920,000	-	29,521,629	0.29%	1,040.37
2009-10	9,290,000	17,104,000	234,348	-	2,705,000	-	29,333,348	0.28%	1,011.43
2010-11	8,605,000	15,480,000	30,000	-	2,480,000	-	26,595,000	0.26%	883.20
2011-12	7,895,000	14,463,000	-	-	2,245,000	-	24,603,000	0.24%	817.05

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 Net General Bonded Debt And Net General Bonded Debt Per Capita Last Ten Fiscal Years

Fiscal Year	Estimated Population	Assessed Value (in thousands)	Gross Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2003	27,146	$ 992,543	$ 13,205,000	$ 79,826	$ 13,125,174	1.32%	$ 483.50
2004	27,350	1,044,214	12,655,000	26,945	12,628,055	1.21%	461.72
2005	27,500	1,051,236	12,405,000	15,613	12,389,387	1.18%	450.52
2006	27,775	961,039	11,750,000	52,315	11,697,685	1.22%	421.16
2007	28,100	1,046,641	11,175,000	801	11,174,199	1.07%	397.66
2008	28,200	1,140,970	10,575,000	821,238	9,753,762	0.85%	345.88
2009	28,376	1,011,156	9,950,000	1,176,443	8,773,557	0.87%	309.19
2010	29,002	1,002,941	9,290,000	1,276,996	8,013,004	0.80%	276.29
2011	30,112	1,110,955	8,605,000	1,380,978	7,224,022	0.65%	239.91
2012	30,112	1,143,053	7,895,000	1,150,811	6,744,189	0.59%	223.97

Clearfield City Corporation

Table 13 - Direct and Overlapping Governmental Activities Debt

Name of Governmental Unit	2011 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	$ 193,170,017,535	1,318,103,000	0.68%	$ 3,487,680,000	$ 23,798,318
Davis County School District	15,680,706,811	1,318,103,000	8.41%	448,625,000	37,710,925
Davis County	15,680,706,811	1,318,103,000	8.41%	-	-
Weber Basin Water Conservancy District	40,949,961,771	1,318,103,000	3.22%	26,749,989	861,032
North Davis County Sewer District	8,230,437,229	1,318,103,000	16.01%	45,806,000	7,335,822
Total overlapping debt					69,706,098
Clearfield City - direct	1,318,103,000	1,318,103,000	100.00%	7,895,000	7,895,000
Total direct and overlapping					$ 77,601,098

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	49,474,280	52,242,920	55,514,397	56,808,200	43,310,887	45,638,800	40,446,240	40,117,640	44,438,200	52,724,120
Total net debt applicable to limit	13,205,000	12,655,000	12,405,000	11,750,000	11,175,000	10,575,000	9,950,000	9,290,000	8,605,000	7,895,000
Legal debt margin	$36,269,280	39,587,920	43,109,397	45,058,200	32,135,887	35,063,800	30,496,240	30,827,640	35,833,200	44,829,120
Total net debt applicable to the limit as a percentage of debt limit	26.69%	24.22%	22.35%	20.68%	25.80%	23.17%	24.60%	23.16%	19.36%	14.97%

Legal Debt Margin Calculation for Fiscal Year 2012

Total Assessed Actual Value	$ 1,318,103,000
Debt limit - 4% of total actual value	52,724,120
Total amount of debt applicable to debt limit	(7,895,000)
Legal debt margin	$ 44,829,120

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
2003	$ 5,717,935	$ 63,261	$ 4,448,785	$ 1,332,411	$ 395,000	$ 19,475	$ 414,475	3.21
2004	6,230,790	1,236,824	3,896,269	3,571,345	167,000	9,886	176,886	20.19
2005	6,369,380	155,172	4,726,674	1,797,878	-	-	-	n/a
2006	6,668,146	(1,665,654)	4,610,998	391,494	-	-	-	n/a
2007	2,743,116	(115,224)	2,659,152	(31,260)	-	-	-	n/a
2008	2,886,915	2,010,045	2,921,805	1,975,155	205,000	125,997	330,997	5.97
2009	3,325,823	(300,297)	3,029,365	(3,839)	-	-	-	n/a
2010	3,120,066	(268,716)	2,878,417	(27,067)	215,000	113,343	328,343	(0.08)
2011	3,271,021	(316,147)	3,097,283	(142,409)	225,000	104,677	329,677	(0.43)
2012	4,540,679	(122,898)	2,965,378	1,452,403	235,000	97,633	332,633	4.37

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 (%)
2003	27,146	$ 6,838,649	$ 26,308	24.0	5,560	6.7
2004	27,350	7,161,800	27,302	24.0	6,005	6.2
2005	27,500	7,833,940	29,109	24.0	5,948	5.3
2006	27,775	8,527,000	30,590	24.0	6,070	3.8
2007	28,100	9,601,267	33,310	24.0	5,463	3.3
2008	28,200	10,170,729	34,384	24.0	5,638	4.3
2009	28,376	10,019,710	33,182	24.0	5,565	8.9
2010	29,002	10,409,081	33,817	24.0	5,713	9.8
2011	30,112	10,409,081	33,817	26.0	5,700	8.5
2012	30,112	10,409,081	33,817	25.8	5,625	7.4

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 capital 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

	2012			2003		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Department of Defense	20,000	1	62.00%	Unavailable		
Lifetime Products	1,600	2	0.05%	Unavailable		
ATK Thiokol	1,200	3	0.04%	Unavailable		
Utility Trailer Mfg.	860	4	0.03%	Unavailable		
Barrett Business Services, Inc.	820	5	0.02%	Unavailable		
IES, LLC	700	6	0.02%	Unavailable		
Management & Training Corp.	520	7	0.01%	Unavailable		
Northrop Grumman Corp	400	8	0.01%	Unavailable		
Arrowpoint Solutions, Inc.	230	9	0.01%	Unavailable		
BCCU, Inc.	200	10	0.01%	Unavailable		

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. 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

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Judicial	2	2	2	3	3	3	3	3	4	4
Legal	2	2	2	2	1	2	2	2	2	2
Executive	4	4	4	4	4	4	4	4	4	4
Finance	5	5	5	5	5	5	5	5	5	5
Buildings & Plants	-	-	2	2	2	2	2	2	2	2
Planning & Zoning	1	2	2	2	2	2	2	2	1	1
Human Resources	2	2	2	2	2	2	2	2	2	2
Information Technology	1	1	1	1	2	2	2	2	2	2
Public Safety										
Police Administration	-	-	8	8	7	7	7	7	7	7
Patrol & Investigations	35	35	28	26	24	28	28	29	28	28
Liquor	-	-	1	1	1	1	1	1	1	1
Dispatch/Emergency Services	9	9	9	9	9	9	9	9	9	8
Firefighters & Officers	10	14	-	-	-	-	-	-	-	-
Public Works										
Public Works Administration	-	-	2	2	2	3	3	3	3	2
Shops	4	4	3	3	4	4	4	4	4	3
Roadways	4	4	2	2	2	2	2	2	2	2
Inspection & Engineering	3	2	2	2	2	2	2	2	3	2
Community Services										
Administration	2	2	2	2	2	2	2	2	2	2
Parks	7	7	6	6	6	6	6	6	6	5
Recreation	2	2	2	2	2	2	2	2	2	2
Aquatic Center	3	3	7	7	7	7	6	7	10	7
Community Development										
Community & Economic Development Administration	1	1	1	1	-	1	1	1	1	1
CDBG	1	1	1	1	1	1	1	1	1	1
Enterprise Funds										
Utility Administration	6	6	6	6	3	3	4	4	5	3
Water	6	4	5	5	6	6	6	6	8	5
Sewer	2	2	3	3	3	3	3	4	3	3
Storm Sewer	-	-	1	1	1	1	1	1	1	1
Total Employees	112	114	109	108	103	110	110	113	118	105

Data source: Clearfield City Human Resource Department

Clearfield City Corporation

Table 19 - Operating Indicators by Function

Last Ten Fiscal Years

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Incidents	12,596	13,184	15,647	10,297	17,764	17,223	16,832	15,609	16,876	17,654
Parking violations	146	153	68	261	462	560	560	525	1,015	725
Youth court cases	41	30	26	11	58	56	12	-	-	-
Traffic violations	3,915	5,840	7,977	9,049	8,068	8,311	10,042	10,026	4,389	9,255
Highways and streets										
Street resurfacing	-	-	-	1	-	-	-	27	4	3
Recreation										
Units of service	100,493	92,091	91,928	84,499	140,208	166,655	177,400	177,082	193,304	189,734
Aquatic center admissions	-	-	88,143	66,374	87,419	75,488	83,896	82,079	100,665	99,328
Public works										
Building permits issued	551	373	308	324	296	287	307	339	245	233
Water										
New connections	262	116	101	72	66	71	53	55	51	51
Water main breaks	79	67	57	70	103	80	-	7	-	-
Utility customers	6,109	6,196	6,304	6,366	6,508	6,571	6,573	6,564	6,578	7,025
Average daily consumption										
Commercial	3,753,297	6,894,560	5,102,230	5,466,597	5,651,428	10,299,000	8,787,000	24,101,893	21,152,345	16,548,268
Residential	2,331,026	2,587,577	2,213,047	2,646,052	3,114,816	3,281,000	3,233,000	2,835,066	2,982,874	3,260,901

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

Clearfield City Corporation

Table 20 - Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	1	1	1	-	-	-	-	-	-	-
Highways and streets										
Streets (miles)	75.0	75.0	76.5	77.1	77.3	77.2	78.2	78.2	78.2	78.23
Streetlights	760	772	758	758	1,171	1,171	1,176	1,180	1,182	1,183
Recreation										
Parks acreage	-	-	-	81.456	81.456	81.456	81.456	81.456	81.456	81.456
Parks	11	10	11	12	12	12	12	12	12	12
Soccer fields	3	3	2	3	3	3	3	3	3	3
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
Boweries	4	4	4	5	5	5	5	5	5	5
Softball/baseball diamonds	11	11	8	10	10	10	10	10	10	10
Community centers	1	1	1	1	2	2	2	2	1	1
Trails	-	-	-	-	1	1	1	2	2	2
Water										
Water mains (miles)	104.25	117.54	117.54	119.58	110.00	110.00	114.00	114.40	114.40	114.50
Fire hydrants	863	885	891	899	950	1,300	1,300	1,303	1,303	1,308
Sewer										
Sanitary sewers (miles)	80.17	82.00	82.00	82.00	72.33	72.33	73.00	73.00	73.00	73.25
Storm sewers (miles)	50.35	51.88	52.00	52.79	56.00	56.00	68.00	68.00	70.25	71.00

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

OTHER REPORTS

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Ulrich & Associates, PC
Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited 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, 2012, which collectively comprise the Clearfield City Corporation's basic financial statements and have issued our report thereon dated November 9, 2012. 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.

Internal Control Over Financial Reporting

Management of Clearfield City Corporation, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Clearfield City Corporation's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clearfield City Corporation's internal control over financial reporting.

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.

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Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clearfield City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Clearfield City in a separate letter dated November 9, 2012.

This report is intended solely for the information and use of the City Council, management, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Ulrich & Associates, P.C.

November 9, 2012

Ulrich & Associates, PC
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of Clearfield City Corporation with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Clearfield City Corporation's major federal programs for the year ended June 30, 2012. Clearfield City Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Clearfield City Corporation's management. Our responsibility is to express an opinion on Clearfield City Corporation's compliance based on our audit.

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 *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program 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. Our audit does not provide a legal determination of Clearfield City Corporation's compliance with those requirements.

In our opinion, Clearfield City Corporation complied, in all material respects, with the requirements referred to above, that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

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Internal Control Over Compliance

Management of Clearfield City Corporation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Clearfield City Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMC Circular A-133, 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 does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of control deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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 that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Ulrich & Associates, P.C.

November 9, 2012

Clearfield City Corporation
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor	Grant Title	Federal CFDA Number	Grant Number	Grant Award	Grant Expend-itures
U.S. Department of Housing and Urban Development					
Passed through State Department of Community Development, Division of Community Development					
CDBG	100 North	14.218	B-04-MC-49-0008	436,353	$ 218,975
CDBG	Subrecipients	14.218	B-04-MC-49-0008	31,250	10,310
CDBG	Administration	14.218	B-04-MC-49-0008	41,675	19,825
Total U.S. Department of Housing and Urban Development					249,110
U.S. Department of Justice					
Passed Through the State of Utah Commission On Criminal and Juvenile Justice					
Bullet Proof Vest Grant		16.738		1,813	1,813
Justice Assistance Grant - Edward Byrne		16.738	2009-G9565-UT-DJ	9,219	9,219
Total U.S. Department of Justice					11,032
U.S. Department of Justice					
Bureau of Justice Assistance Grant		16.753	2010-DD-BX-0639	425,000	74,897
U.S. Environmental Protection Agency					
Passed Through the State of Utah Department Of Environmental Quality					
State and Tribal Assistance Grant		66.202	XP-97843701-0	290,000	290,000
U.S. Department of Homeland Security					
Passed Through Utah Division of Emergency Services and Homeland Security					
Emergency Management Performance Grant		97.042		5,500	5,500
Emergency Management Performance Grant		97.042		8,500	8,500
Total U.S. Department of Homeland Security					14,000
U.S. Department of Energy Office of Civilian RW Management					
ARRA - Energy Efficiency Grant		81.128		252,386	31,272
		Total federal expenditures			$ 670,311

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Clearfield City Corporation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements on OMB Circular A-133, *Audits of States, Local Governments, and Non-Profits Organizations*.

Summary of Audit Results

1. The auditors' report expresses an unqualified opinion on the general purpose financial statements of Clearfield City.

2. No significant deficiencies relating to the audit of the general purpose financial statements were reported.

3. No instances of noncompliance material to the general purpose financial statements of Clearfield City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. No significant deficiencies relating to the audit of the major federal award program is reported in this schedule.

5. The auditors' report on compliance for the major federal award programs expresses an unqualified opinion on the major federal programs.

6. No audit findings relative to the major federal award program for Clearfield City are reported in this schedule.

7. The programs tested as were:

Bureau of Justice Assistance Grant	CFDA#	16.753
State and Tribal Assistance Grant	CFDA#	66.202

8. The threshold for distinguishing Types A and B programs was $300,000.

9. Clearfield City did not qualify as a low-risk auditee.

Findings Financial Statements

None

Findings and Questioned Costs - Major Federal Award Programs Audit

None

Clearfield City Corporation
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2012

Findings - Financial Statement Audit - Prior Year

None

Findings and Questioned Costs - Major Federal Award Programs Audit - Prior year

None

Ulrich & Associates, PC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
IN ACCORDANCE WITH THE
STATE OF UTAH LEGAL COMPLIANCE AUDIT GUIDE

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

We have audited Clearfield City's compliance with the general and major state program compliance requirements described in the *State of Utah Compliance Audit Guide* for the year ended June 30, 2012. The general compliance requirements applicable to the City are identified as follows:

Public Debt	B & C Road Funds
Cash Management	Other Compliance Requirements
Purchasing Requirements	Uniform Building Code Standards
Budgetary Compliance	Impact Fees
Truth in Taxation & Property Tax Limitation	Asset Forfeiture
Liquor Law Enforcement	Utah Retirement System
Justice Court Compliance	Fund Balance Limitations

The City received the following major assistance programs from the State of Utah:

Class "C" Road Allotment (Department of Transportation)
Liquor Law Enforcement (State Tax Commission)

Compliance with the requirements referred to above is the responsibility of the City's management. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

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We conducted our audit 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 of Utah Legal Compliance Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the major assistance programs or general compliance requirements identified above. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, Clearfield City, complied, in all material respects, with the general compliance requirements identified above and the compliance requirements that are applicable to each of its major state programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with the *State of Utah Legal Compliance Audit Guide* and which are described in the accompanying schedule of findings.

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

Ulrich & Associates, P.C.

November 9, 2012

1. **Fund Balance Compliance**

Finding - Fund balance in the General Fund exceeds 18% of estimated revenues by $2,521,792.

Recommendation - We recommend that the City review the unreserved fund balance and plan the coming year's expenditures accordingly.

Management Response - The City plans on utilizing the funds to aid in the many infrastructure projects throughout the City.

2. **Budgetary Compliance**

Finding - Expenditures in excess of approved budgeted amounts were noted in the Capital Projects Fund for $244,311.

Recommendation - Department managers should carefully review expenditures against the budget so that amendments can be made when appropriate.

Management Response - Management will work with department managers and the auditors to develop the proper understanding of the budget process in order to address this problem in the other areas. We anticipate this will involve training and review of the budget process in more detail prior to year end to determine the need for possible amendments to the budget.