

Comprehensive Annual Financial Report



Clearfield City Corporation
Clearfield, Utah

Fiscal Year Ended
June 30, 2014

Comprehensive Annual Financial Report
of
CLEARFIELD CITY CORPORATION
Clearfield, Utah

For the Year Ended June 30, 2014

Adam Lenhard, City Manager
Rich Knapp, Administrative Services Director

Clearfield City Corporation

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INTRODUCTORY SECTION



December 12, 2014

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

It is my pleasure to present the 2014 Comprehensive Annual Financial Report (CAFR) of Clearfield City for the fiscal year ended June 30, 2014.

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, 2014, in accordance with these requirements.

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

This report is published to provide the Clearfield City Council, staff, 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 7.67 square miles and is approximately 92% developed. Located in Northern Utah, Clearfield is 38 miles north of Salt Lake City. Clearfield City is easily accessible by Interstate 15, which runs North and South through the City. The Salt Lake International Airport can be reached within 35 minutes 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

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 Read Data Organization

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
- Risk 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 2015.

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 2015.

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.

The SR193 project is complete. The road is 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 - In FY2014, the Streets and Roads division chip sealed 55 streets, 7.09 miles, 146,009 square yards of pavement surface. Installed 140 feet of sidewalk on the north side of 300 North between 75 West and 94 West. This was a UDOT Safe sidewalk project which the City received funding from the State to make sidewalk improvements. 450 West Street from 2225 South to 2300 South CDBG project was reconstructed, new asphalt paving, and new curb, gutter and sidewalk. The water line was upgraded from a 6 inch line to a 8 inch line, a new 8 inch sanitary sewer line was installed and a new 15 inch and 24 inch storm drain was constructed.

Public Safety - During FY2014, the Public Safety Department was able to complete the Armadillo project. The Armadillo is currently parked behind the police department and all related articles have been positive. The battery/solar charging system was tested and should last at least five days in the field, two additional memory cards were added for additional video. The first deployment was on February 13, 2014 to Hill Air Force Base Elementary; school administration requested the vehicle after being placed in a “lockout” status due to a person making threats of workplace violence on the base. The Armadillo was taken to the Council Town Hall meeting on May 6th. It was also used at Island View Park several times through May and June – the Parks and Recreation department requested it because while it was parked there, damage to the bathroom area, graffiti and garbage can vandalism halted only to return after it was removed. 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 police radios and a SAFG grant used to purchase wristwatch transmitters for Investigations and small body cameras for the detective division.

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 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, 2013 (FY2014).

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, 2013. Clearfield City has been awarded this certificate 15 out of the last 17 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.

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. 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,



Rich Knapp
Administrative Services Director

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Government Finance Officers Association

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

Presented to

**Clearfield City Corporation
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013



Executive Director/CEO

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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, 2013

Executive Director

Clearfield City Corporation

City Officials

For the Year Ended June 30, 2014

Executive Budgetary

Adam Lenhard

JJ Allen

Brian Brower

City Manager

Assistant City Manager

City Attorney

Statutory Appointed Officials

Nancy Dean

Rich Knapp

City Recorder

City Treasurer

Department Heads

Rich Knapp

Scott Hodge

Eric Howes

Greg Krusi

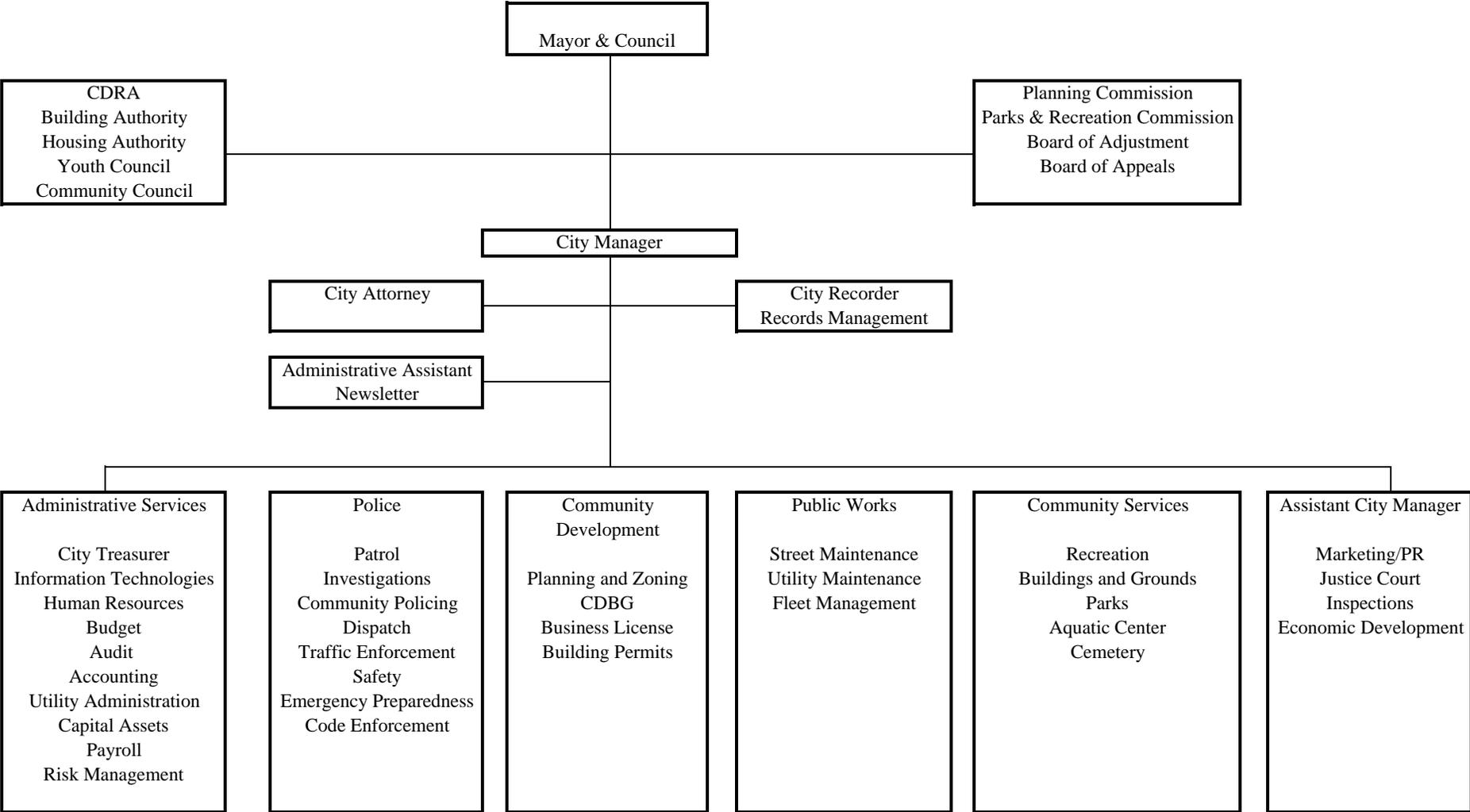
Administrative Services Director

Public Works Director

Community Services Director

Police Chief

Clearfield City, Utah Organization Chart



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2014, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clearfield City Corporation as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2014 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.

Ulrich & Associates, P.C.

Ogden, UT
December 12, 2014

Management's Discussion and Analysis 2014

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 38. The management's discussion and analysis is not specifically audited. However this discussion is "required supplementary information" and must be included in the report. This information 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 2014 (FY2014) actual General Fund revenues were \$281,496 above expected or final budgeted numbers before Other Financing Sources. This is a 2.1% increase over budgeted revenue. Final budgeted revenues before Other Financing Sources were \$13,316,659 and final actual amounts are \$13,598,155. The largest increase from budgeted numbers came from Taxes. Sales and Use taxes were \$216,762 above budgeted, Property taxes were \$31,688 above budgeted amounts and Energy Sales taxes were \$132,797 above budgeted amounts. Overall taxes came in \$346,312 above final budgeted numbers. Fines and Forfeitures were down \$145,940 from budgeted numbers. Another revenue category that came in under final budgeted numbers was Parks and Recreation which was down \$104,001.
- General Fund revenue before Other Financing Sources was up \$38,573 in FY2014 from actual general fund revenues as compared to the same revenues in FY2013. Revenues from Taxes increased \$162,841 from FY13 with revenues from fines and forfeiture decreasing \$77,336.
- Expenditures of \$14,845,482 and revenues of \$14,868,466 in the general fund combined to have a net change in fund balance of \$22,984.
- The total assets of Clearfield City increased by \$766,696 to \$109,238,662. Total liabilities decreased by \$1,810,043 to \$23,611,512. The largest component of the decrease in liabilities was from payment of the outstanding amount due on the Revenue and General Obligation Bonds.
- The total net position of \$83,573,235 are made up of \$57,597,232 invested in capital assets net of related debt, \$5,007,923 in restricted net position and \$20,968,080 in unrestricted net position.
- Outstanding Long Term General Obligation Bonds and Revenue Bonds government wide decreased by \$1,702,307. General Obligation Bonds decreased by \$770,000. Revenue Bonds decreased by \$1,182,914.

- 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 62 and 3rd notes to the financial statements-pages 64 through 97.

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

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

Government-wide financial statements: pages 38 to 40.

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

Clearfield City's Statement of Net Position is reported as of June 30, 2014, 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, 2014 the City's total net position exceeded liabilities by \$83,573,235. The statement shows that unrestricted net position of \$20,968,080 are enough to cover the current liabilities of \$4,323,612.

Assets

Clearfield City's assets on June 30, 2014 were \$109,238,662 for an increase of \$766,696 from the previous fiscal year ending June 30, 2013. Cash and cash equivalents increased \$2,032,254, and taxes receivable increased \$977,842. Decreases in assets include an other receivables decrease of \$853,209.

Of the total assets about \$79,660,615 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 \$40.8 million dollars or 60% 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 \$39.8 million dollars and is 47% of the purchase price. More information on depreciation is available in the Notes to the Financial Statements on pages 70 and 83 - 85. Schedules of general capital assets are on pages 112 to 114.

Liabilities

Clearfield City’s liabilities on June 30, 2014 were \$23,611,512. Non-current liabilities are 82% and current liabilities are 18% of the total liabilities. The 18% is \$4,323,612 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 82% of non-current liabilities is \$19,287,900, with \$19,079,235 in revenue & general obligation bond debt and \$208,655 for noncurrent compensated absences. Liabilities decreased from the prior year by \$1,810,043. This decrease can be seen primarily in outstanding amount for General Obligation Bond and for outstanding amounts for the Water Revenue Bonds.

For detailed information see pages 88 to 91, which has the debt section of Clearfield City’s Notes to Financial Statements.

<i>Current Liabilities</i>		<i>Non-current Liabilities</i>	
Leases, loans, notes payable	10.5%	Loans- Bonds	74.3%
Accounts Payable	7.2%	Compensated Absences	.8%
G.O. & Revenue bonds	<u>7.2%</u>		<u>75.2%</u>
	24.8%		

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

Capital Leases and Long Term Debt

As of June 30, 2014 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, 2014 was \$6,390,000. This is a decrease of \$770,000 from the prior fiscal year.

The City also has three 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

\$10,782,206 outstanding at the end of the fiscal year. \$520,000 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, 2014 is \$1,520,000.

Other bonds are outstanding and can be referenced in the Note Section pages 88 to 91.

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, 2014 and covers the time period of July 1, 2013 to June 30, 2014. 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 \$9,316,860 in parenthesis represents the cost of services that were not covered with program revenues. The general revenues and fees of \$12,697,743 collected by Clearfield City for governmental activities was enough to offset the operating cost of services not covered with program revenues. The increase to Net Position was \$3,380,883.

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 \$4,196,122. The revenues or charges for services related to Public Safety totals \$1,219,731 with \$77,383 in operating grants and contributions and \$34,614 for Capital Grants. The \$2,926,547 in parenthesis on the public safety line represents how much of the total expenses are not covered through Program Revenues and rely on general revenue. Therefore, program revenues covered only 31% of program expenses, general revenues are need to cover the rest.

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

		<u>Amount of program funded w/GF</u>	<u>% of program funded with General revenues</u>
1 st	General Government	\$3,233,789	73 %
2 nd	Public Safety	\$2,926,547	69 %
3 rd	Community Services	\$2,387,079	57 %
4 th	Interest on long-term debt	\$ 828,074	100 %
5 th	Community Development	\$ 460,111	100 %
6 th	Highways	\$ -518,740	0.0 %

Governmental Activities expenditures before contributions or transfers increased \$257,209 in 2014 compared to fiscal year 2013.

Governmental Activities Expense History

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses:					
General Government	\$4,944,458	\$4,363,191	\$4,175,063	\$4,408,533	\$4,419,080
Public Safety	3,789,561	4,038,550	3,893,612	4,298,248	4,258,275
Highway & Streets	1,363,122	1,204,022	1,407,454	579,064	583,792
Community Services	3,381,382	3,518,420	3,480,388	3,755,723	4,196,122
Community Development	782,623	1,018,528	514,315	534,675	460,111
Other	1,083,758	1,066,514	974,740	912,002	828,074
Total Expenses	\$15,344,904	\$15,209,225	\$14,445,572	\$14,488,245	\$14,745,454

Business-type activities summary

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

The business-type activities run by Clearfield City had an increase of net Operating Revenues of \$244,970 for a total of \$654,891. The majority of this increase net operating revenue came from sewer increases to cover increased rate from the sewer district. Non-operating revenue (expenses) had a decrease of \$478,257, from loss on disposal related to replacement of sewer lines. When interest income, impact fees, miscellaneous revenue, gain on disposal of capital assets and transfers to the general fund are included, net position decreased \$419,645 to \$56,680,944.

Net Position

The total net position for both governmental-type activities and business type activities are \$83,573,235. The change in net position is a useful indicator of the City's financial position, especially if several years are available for comparison. Since FY2009, the five year change in Net Position has increased by \$4,073,231 for the business type activities. For the same time period, Governmental activities have had an increase in Net Position of \$10,553,217.

The following two charts compares fiscal year ending June 30, 2013 (FY2013) and fiscal year ending June 30, 2014 (FY2014) of the Changes in Net position and a comparison of Net Position.

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Comparison of Changes in Net Position

	Governmental Activities		Business-type Activities	
	2013	2014	2013	2014
Revenues:				
Program Revenues:				
Charges for Services	\$ 4,267,468	\$ 4,224,954	\$ 8,199,933	\$ 8,781,224
Operating Grants & Contributions	883,706	899,337		
Capital Grants and Contributions	345,019	304,303	1,461,653	-
General Revenues:				
Property Taxes	\$ 5,249,766	\$ 5,200,014		
General Sales & Use Tax	3,511,629	3,648,705		
Other Taxes	3,171,735	3,257,562		
Investment Income	77,621	99,266	84,951	41,848
Other Revenue	44,714	(67,631)	337,201	880
Total Revenues	\$ 17,551,658	\$ 17,566,510	\$ 10,083,738	\$ 8,823,952
Expenses:				
General Government	\$ 4,408,533	\$ 4,419,080		
Public Safety	4,298,248	4,258,275		
Highway & Streets	579,064	583,792		
Community Services	3,755,723	4,196,122		
Community Development	534,675	460,111		
Other	912,002	828,074		
Utilities			7,607,473	8,683,770
Total Expenses	\$ 14,488,245	\$ 14,745,454	\$ 7,607,473	\$ 8,683,770
Excess (deficiency) before transfers	\$ 3,063,413	\$ 2,821,056	\$ 2,476,265	\$ 140,182
Contributions of Capital Assets	-	-	-	-
Transfers	\$ 439,081	\$ 559,827	\$ (439,081)	\$ (559,827)
Increase (Decrease) in Net Position	\$ 3,502,494	\$ 3,380,883	\$ 2,037,184	\$ (419,645)
Net Position, beg. of year, as adjusted	\$ 20,201,719	\$ 23,511,408	\$ 55,599,247	\$ 57,100,589
Net Position, ending of year	\$ 23,704,213	\$ 26,892,291	\$ 57,636,431	\$ 56,680,944

Fiscal Year Comparison of Net Position

	Governmental Activities		Business-type Activities	
	2013	2014	2013	2014
Current and Other Assets	\$ 14,940,433	\$ 17,158,583	\$ 14,525,791	\$ 13,553,612
Capital Assets (net of depr.)	33,205,768	32,917,166	45,799,974	45,609,301
Total Assets	\$ 48,146,201	\$ 50,075,749	\$ 60,325,765	\$ 59,162,913
Deferred Outflows	\$ 209,210	\$ -	\$ -	\$ -
Total Deferred Outflows	\$ 209,210	\$ -	\$ -	\$ -
Other Liabilities	\$ 3,333,042	\$ 3,540,417	\$ 904,826	\$ 991,860
Long Term Debt Outstanding	19,399,179	17,589,126	1,784,508	1,490,109
Total Liabilities	\$ 22,732,221	\$ 21,129,543	\$ 2,689,334	\$ 2,481,969
Deferred Inflows	\$ 1,918,977	\$ 2,053,915		\$ -
Total Deferred Inflows	\$ 1,918,977	\$ 2,053,915	\$ -	\$ -
Net Investment in Capital Assets	\$ 12,312,930	\$ 13,743,040	\$ 43,787,842	\$ 43,854,192
Restricted	3,693,214	3,151,603	1,982,181	1,856,320
Unrestricted	7,698,069	9,997,648	11,866,408	10,970,432
Total Net Position	\$ 23,704,213	\$ 26,892,291	\$ 57,636,431	\$ 56,680,944

Fund financial statements: pages 42 to 62.

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.

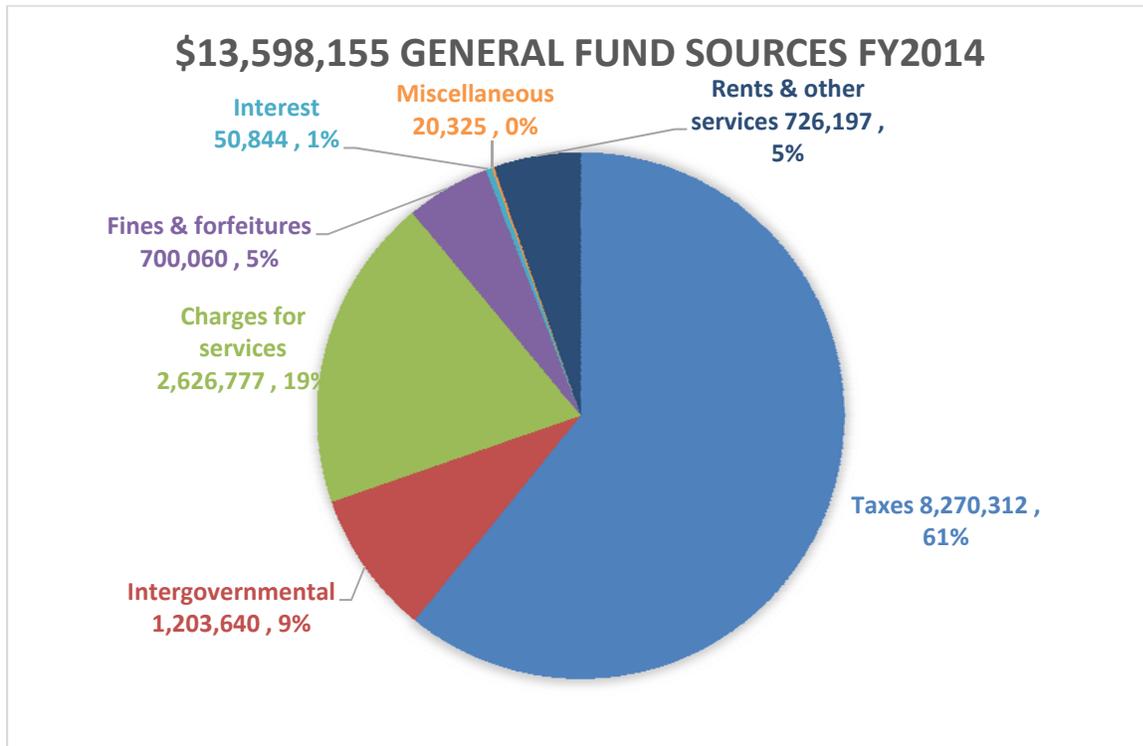
Clearfield City, like other state and local governments, use fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

General Government funds summary

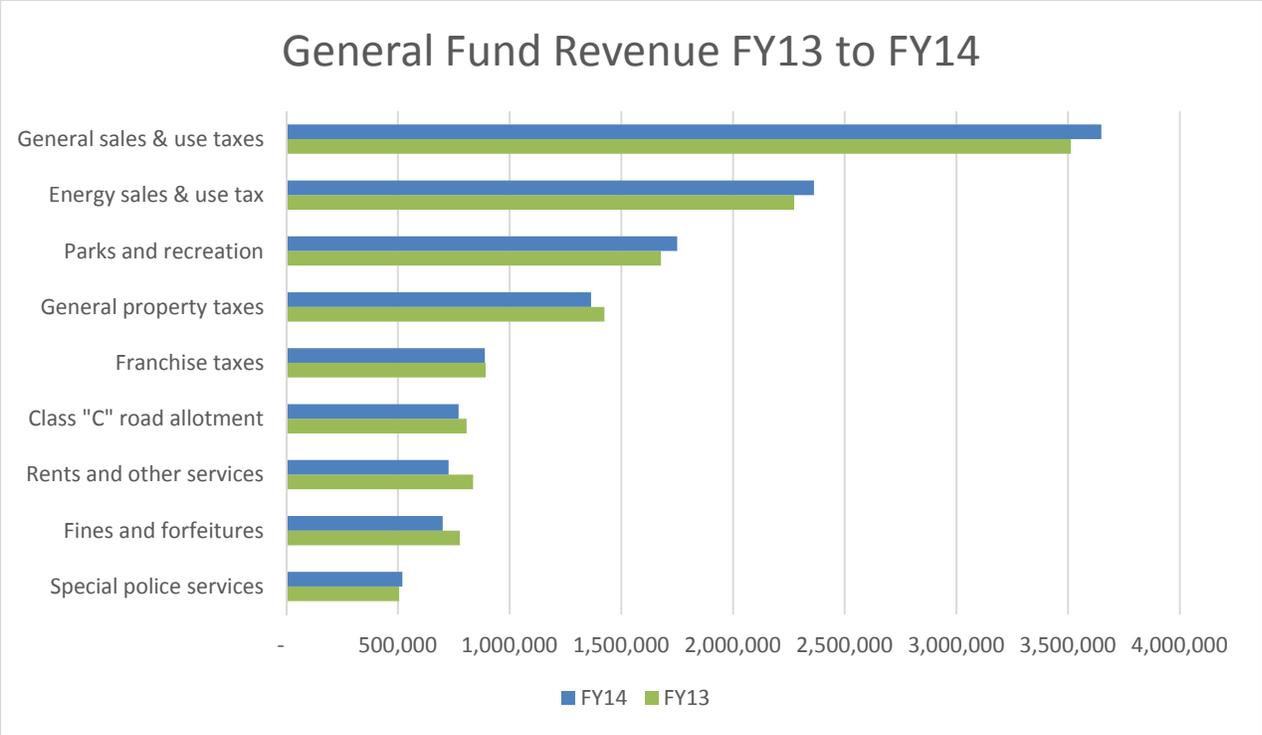
The General Government funds reported by the City are the General Fund, the Community Development Renewal Agency (CDRA) Fund, the Capital Project Fund and Other Governmental Funds.

General Fund: pages 49 to 54.

During the year \$13,598,155 came into the General Fund before Other Financing Sources. This is a decrease of \$38,753 from the previous year. The primary decrease came one time miscellaneous revenue. Taxes still remain the largest source of revenue received in the General Fund with 61% of the total—\$8,270,312. For the prior year taxes represented 59% or \$8,107,471 of the total revenue source before other financing sources.



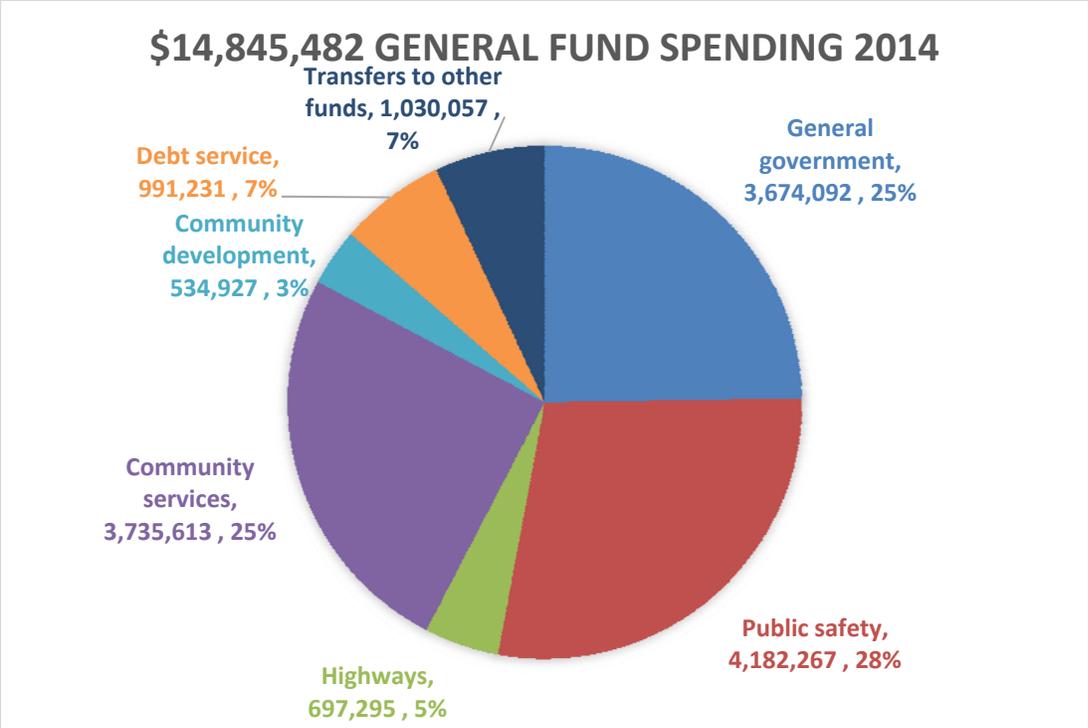
The next chart compares the normal general fund revenue for Fiscal year 2013 and 2014. On the Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds, the general fund revenues increased \$38,573 from 2013 to 2014 (before transfers or other sources). This amount represents a .3% increase in these revenue sources. The largest decrease is in fines and forfeitures revenue of \$77,336. Followed by a decrease in rent & other services of \$109,996, and a decrease in property tax of \$60,062. These decreases were offset by an increase in sales tax revenue of \$137,076, an increase in energy tax revenue of \$88,233, and an increase in parks and recreation \$72,864.



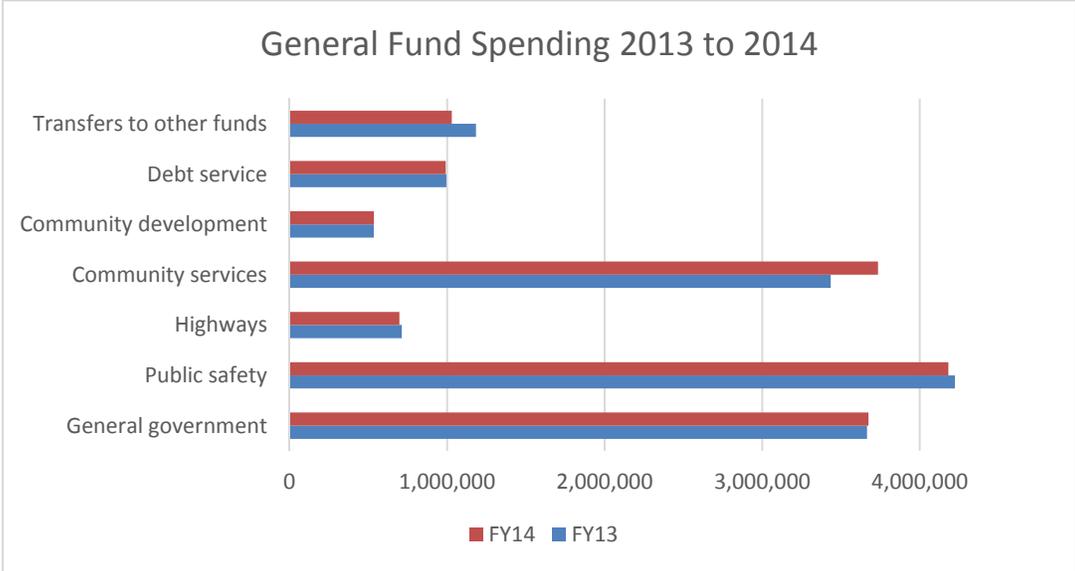
General Fund Spending:

The General Fund’s actual operating expenditures increase by \$253,856 before any debt service or transfers to other funds. This represents a 2 % increase from the prior year actual for the same functions. After transfers to other funds are included the total expenditures increased by \$96,256 as compared to the prior year. This increase in transfers was mainly to spending excess FY 2013 fund balance.

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



The next chart compares general fund spending for 2013 and 2014 by governmental activity.



Community Development and Renewal Agency: page 55.

Total revenue of \$3,138,487 was generated in 2014. This is a decrease of \$36,206 from FY2013. Community Development and Renewal Agency (CDRA) revenue includes property tax increment monies, rent from RDA owned properties, and interest.

The Clearfield CDRA's balance sheet reflects an inter-fund loan payable of \$1,015,167. This loan is due to the Water Administration Fund. One of the largest assets is land held for resale and most of this land is collateral for the debt the redevelopment agency has incurred.

The CDRA pays a portion of the Sales Tax Revenue Bond 2003, and that bond was refunded in December 2006. The CDRA transfers their bond payment to the general fund semi-annually. The Net Change in Fund Balance for the CDRA Fund increased \$1,698,561 to end the year at \$5,796,199.

Capital Projects Fund: page 100.

The Capital Projects Fund began the fiscal year with a fund balance of \$1,161,037. During the year, \$1,018,145 was spent related to capital projects. \$1,030,057 was transferred in during the year to fund new authorized capital projects. The fund balance had a net increase of \$13,570 to end the fiscal year with a \$1,174,607 fund balance.

Debt Service / General Obligation Bond Fund: page 101.

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 FY2014 \$793,113 was received in this fund as revenue. This revenue is budgeted from a portion of the certified tax rate. In FY2014 this rate related to the G.O. debt was 0.000763. The revenue collected from the property taxes was not enough to cover the debt service for the year, \$392,193 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, Storm Drain and Utility Administration, have a positive net income before transfers in or out. The Utility Administration fund shows a loss of \$108,813. 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 Drain and Solid Waste utilities all showed a positive income before and after transfers in the fiscal year.

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

The statement of Net Position for Proprietary Funds shows a total operating revenue of \$8,782,104 for the fiscal year ending 2014. For all proprietary funds this is an increase of \$244,970 compared to the prior year revenues before transfers. The increase is due to an increase in rates for water, sewer, and storm drain.

The Proprietary funds also had operating expenses including depreciation totaling \$8,127,213 before non-operating revenues or expenditures; this is up \$639,619 from the prior year. After non-operating revenues and expenses, the proprietary funds had a net decrease of \$419,645.

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, 2014 is \$1,745,000. The maturity date is scheduled for May 2020.

Internal Service Funds-Fleet and Risk Management pages 108 to 110.

The purpose of the fleet fund is to centralize the vehicle repair, service and replacement and to be able to cost out those services to the departments who utilize these services. The assets in this fund are all of the street licensed vehicles the City has along with unlicensed heavy and light duty vehicles and equipment. Revenues totaled \$800,722 with Operating Expenses including depreciation to be \$801,805 for a net operating loss of \$1,083. The fund also received a gain of \$63,219 on the sale of fixed assets. The increase to net position was \$62,136.

The Risk Management Fund was created in FY2013. The fund was created to help Clearfield City assign and develop costs for the city insurance. The general fund, enterprise, and fleet funds are charged to generate the revenue for this fund. In FY 2014 revenue was \$300,418. Insurance costs for the city were \$254,508. The increase to net position was \$8,783.

Notes to Financial Statements: pages 64 to 97.

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 102 to 106. 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 102 and 103. Budget and actual comparisons for the non-major funds are presented on pages 105 to 106. Budget and actual comparisons for major capital projects fund and G.O bond fund are presented on pages 100 and 101.

Requests for information:

It is granted that in a city the size of Clearfield the accounting for over \$100 million in assets and over \$27 million of annual revenues and other financing sources for 2014 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 Monday through Friday from 8 A.M to 5 P.M. MST.

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BASIC FINANCIAL STATEMENTS

Clearfield City Corporation
Statement of Net Position
June 30, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>North Davis Fire District</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 10,984,682	10,034,155	21,018,837	2,333,690
Accounts receivable (net)	-	861,792	861,792	156,772
Property, sales, & franchise taxes receivable	3,147,278	-	3,147,278	2,392,376
Other receivables	325,671	-	325,671	-
Prepaid items	175,367	524,847	700,214	-
Internal balances	(386,043)	386,043	-	-
Restricted cash	1,777,480	1,746,775	3,524,255	-
Restricted land held for sale	1,134,148	-	1,134,148	-
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	17,324,103	793,138	18,117,241	2,568,555
Improvements	1,259,262	258,140	1,517,402	-
Machinery & equipment	2,464,537	713,680	3,178,217	763,885
Infrastructure	6,305,631	40,679,201	46,984,832	-
Construction in process	595,212	1,751,403	2,346,615	-
Total assets	<u>\$ 50,075,749</u>	<u>59,162,913</u>	<u>109,238,662</u>	<u>8,415,388</u>

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

Clearfield City Corporation
Statement of Net Position - Continued
June 30, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>North Davis Fire District</u>
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 1,172,061	673,722	1,845,783	132,181
Accrued interest payable	371,038	11,633	382,671	34,544
Compensated absences - current	230,631	14,527	245,158	-
Capital lease payable - current	-	-	-	55,294
General obligation bonds payable - current	800,000	-	800,000	-
Revenue bonds payable - current	785,000	265,000	1,050,000	150,000
Compensated absences - noncurrent	181,687	26,978	208,665	144,820
Capital lease payable - noncurrent	-	-	-	436,226
General obligation bonds payable - noncurrent	5,697,482	-	5,697,482	-
Revenue bonds payable - noncurrent	11,891,644	1,490,109	13,381,753	2,250,000
	<u>21,129,543</u>	<u>2,481,969</u>	<u>23,611,512</u>	<u>3,203,065</u>
<u>Deferred Inflows of Resources</u>				
Unavailable revenue- property taxes	2,053,915	-	2,053,915	1,950,211
Total deferred inflows of resources	<u>2,053,915</u>	<u>-</u>	<u>2,053,915</u>	<u>1,950,211</u>
<u>Net Position</u>				
Net investment in capital assets	13,743,040	43,854,192	57,597,232	641,030
Restricted for:				
Debt service	1,124,461	83,700	1,208,161	64,186
Perpetual care				
Expendable	29,294	-	29,294	-
Nonexpendable	166,915	-	166,915	-
Capital projects	152,532	1,663,075	1,815,607	-
E-911	394,136	-	394,136	-
Community redevelopment	1,134,148	-	1,134,148	-
Other	150,117	109,545	259,662	220,611
Unrestricted	<u>9,997,648</u>	<u>10,970,432</u>	<u>20,968,080</u>	<u>2,336,285</u>
Total net position	<u>\$ 26,892,291</u>	<u>56,680,944</u>	<u>83,573,235</u>	<u>3,262,112</u>

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

Clearfield City Corporation
Statement of Activities
For the Year Ended June 30, 2014

Function/Programs	Program Revenues				Net (Expenses) Revenues & Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	North Davis Fire District
Primary government								
Governmental activities:								
General government	\$ 4,419,080	1,185,291	-	-	\$ (3,233,789)		(3,233,789)	
Public safety	4,258,275	1,219,731	77,383	34,614	(2,926,547)		(2,926,547)	
Highways and public improvements	583,792	61,254	771,589	269,689	518,740		518,740	
Community services	4,196,122	1,758,678	50,365	-	(2,387,079)		(2,387,079)	
Community development	460,111	-	-	-	(460,111)		(460,111)	
Interest on long-term debt	828,074	-	-	-	(828,074)		(828,074)	
Total governmental activities	<u>14,745,454</u>	<u>4,224,954</u>	<u>899,337</u>	<u>304,303</u>	<u>(9,316,860)</u>		<u>(9,316,860)</u>	
Business-type activities:								
Public utility	8,683,770	8,781,224	-	-	-	97,454	97,454	
Total business-type activities	<u>8,683,770</u>	<u>8,781,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,454</u>	<u>97,454</u>	
Total primary government	<u>\$ 23,429,224</u>	<u>13,006,178</u>	<u>899,337</u>	<u>304,303</u>	<u>(9,316,860)</u>	<u>97,454</u>	<u>(9,219,406)</u>	
Component unit								
North Davis Fire District	\$ 3,027,810	877,718	818	-				(2,149,274)
Total component unit	<u>\$ 3,027,810</u>	<u>877,718</u>	<u>818</u>	<u>-</u>				<u>(2,149,274)</u>
General revenues:								
Property taxes					5,200,014	-	5,200,014	2,315,257
General sales and use tax					3,648,705	-	3,648,705	-
Franchise tax					888,626	-	888,626	-
Energy use tax					2,361,797	-	2,361,797	-
Transient room tax					7,139	-	7,139	-
Interest earnings					99,266	41,848	141,114	10,102
Miscellaneous					(67,631)	880	(66,751)	12,000
Transfers					559,827	(559,827)	-	-
Contribution of capital assets					-	-	-	-
Total general revenues					<u>12,697,743</u>	<u>(517,099)</u>	<u>12,180,644</u>	<u>2,337,359</u>
Change in net position					<u>3,380,883</u>	<u>(419,645)</u>	<u>2,961,238</u>	<u>188,085</u>
Net position - beginning, as adjusted					<u>23,511,408</u>	<u>57,100,589</u>	<u>80,611,997</u>	<u>3,074,027</u>
Net position - ending					<u>\$26,892,291</u>	<u>56,680,944</u>	<u>83,573,235</u>	<u>3,262,112</u>

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, 2014

	General Fund	Special Revenue Community Development & Renewal Agency Fund	Capital Projects	Debt Service G.O. Bond Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash and cash equivalents	\$ 4,827,618	6,136,723	-	-	20,341	10,984,682
Property, sales, and franchise taxes receivable	2,307,117	-	-	840,161	-	3,147,278
Other receivables	320,108	2,513	-	-	-	322,621
Prepaid items	150,117	-	-	-	-	150,117
Due from other funds	-	-	1,222,162	89,858	-	1,312,020
Restricted cash and cash equivalents	1,428,739	-	-	-	348,741	1,777,480
Restricted land held for sale	-	1,134,148	-	-	-	1,134,148
Total assets	<u>9,033,699</u>	<u>7,273,384</u>	<u>1,222,162</u>	<u>930,019</u>	<u>369,082</u>	<u>18,828,346</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>						
Liabilities						
Accounts payable	297,380	4,428	47,555	-	-	349,363
Accrued liabilities	769,744	45,005	-	-	-	814,749
Interfund loans payable	-	1,015,167	-	-	-	1,015,167
Due to other funds	30,477	412,585	-	-	56,683	499,745
Total liabilities	<u>1,097,601</u>	<u>1,477,185</u>	<u>47,555</u>	<u>-</u>	<u>56,683</u>	<u>2,679,024</u>
Deferred Inflows of Resources						
Unavailable revenue- property taxes	1,213,754	-	-	840,161	-	2,053,915
Total deferred inflows of resources	<u>\$ 1,213,754</u>	<u>-</u>	<u>-</u>	<u>840,161</u>	<u>-</u>	<u>2,053,915</u>

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

Clearfield City Corporation
Balance Sheet - Continued
Governmental Funds
June 30, 2014

	<u>Special Revenue</u>					Total Governmental Funds
	General Fund	Community Development & Renewal Agency Fund	Capital Projects	Debt Service G.O. Bond Fund	Other Governmental Funds	
Fund Balances						
Nonspendable						
Prepaid items	\$ 150,117	-	-	-	-	150,117
Land held as inventory	-	1,134,148	-	-	-	1,134,148
Restricted for:						
Debt service	1,034,603	-	-	89,858	-	1,124,461
Capital projects	-	-	-	-	152,532	152,532
Cemetery perpetual care	-	-	-	-	196,209	196,209
E-911	394,136	-	-	-	-	394,136
Committed	1,340,742	150,000	685,201	-	-	2,175,943
Assigned, reported in:						
Capital projects - improvements	-	-	489,406	-	-	489,406
Special revenue - community development	-	4,512,051	-	-	-	4,512,051
Unassigned, reported in:						
Capital projects	-	-	-	-	(36,342)	(36,342)
General fund	3,802,746	-	-	-	-	3,802,746
Total fund balances	<u>6,722,344</u>	<u>5,796,199</u>	<u>1,174,607</u>	<u>89,858</u>	<u>312,399</u>	<u>14,095,407</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,033,699</u>	<u>7,273,384</u>	<u>1,222,162</u>	<u>930,019</u>	<u>369,082</u>	<u>18,828,346</u>

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

Clearfield City Corporation
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2014

Total fund balances - governmental fund types:	\$ 14,095,407
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	32,917,166
Internal service funds are used by management to charge the costs of fleet management to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	(162,800)
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.	(19,957,482)
Net position of governmental activities	<u>\$ 26,892,291</u>

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, 2014

	<u>Special Revenue</u>					Total Governmental Funds
	General Fund	Community Development & Renewal Agency Fund	Capital Projects	Debt Service G.O. Bond Fund	Other Governmental Funds	
<u>Revenues</u>						
Taxes	\$ 8,270,312	3,042,856	-	793,113	-	12,106,281
Rents and other services	726,197	73,798	-	-	-	799,995
Intergovernmental	1,203,640	-	-	-	7,185	1,210,825
Charges for services	2,626,777	-	-	-	-	2,626,777
Impact fees	-	-	-	-	61,254	61,254
Fines and forfeitures	700,060	-	-	-	-	700,060
Interest	50,844	21,833	1,658	-	1,531	75,866
Miscellaneous revenue	20,325	-	-	-	-	20,325
Total revenues	<u>13,598,155</u>	<u>3,138,487</u>	<u>1,658</u>	<u>793,113</u>	<u>69,970</u>	<u>17,601,383</u>
<u>Expenditures</u>						
Current						
General government	3,674,092	141,059	-	-	50,000	3,865,151
Public safety	4,182,267	-	-	-	-	4,182,267
Highways and public improvements	419,032	-	-	-	-	419,032
Community services	3,735,613	-	-	-	-	3,735,613
Community development	534,927	-	-	-	-	534,927
Capital outlay	-	-	1,018,145	-	-	1,018,145
Debt service						
Principal retirement	755,000	155,000	-	770,000	-	1,680,000
Interest and fiscal charges	514,494	12,812	-	326,250	-	853,556
Total expenditures	<u>13,815,425</u>	<u>308,871</u>	<u>1,018,145</u>	<u>1,096,250</u>	<u>50,000</u>	<u>16,288,691</u>

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, 2014

	General Fund	<u>Special Revenue</u> Community Development & Renewal Agency Fund	Capital Projects	<u>Debt Service</u> G.O. Bond Fund	Other Governmental Funds	Total Governmental Funds
Excess (deficiency) revenues over (under) expenditures	\$ (217,270)	2,829,616	(1,016,487)	(303,137)	19,970	1,312,692
<u>Other Financing Sources (Uses)</u>						
Proceeds (cost) from disposal of capital assets	43,655	(74,816)	-	-	-	(31,161)
Transfers in	1,226,656	-	1,030,057	392,193	-	2,648,906
Transfers (out)	(1,030,057)	(1,056,239)	-	-	(2,783)	(2,089,079)
Total other financing sources and (uses)	<u>240,254</u>	<u>(1,131,055)</u>	<u>1,030,057</u>	<u>392,193</u>	<u>(2,783)</u>	<u>528,666</u>
Net change in fund balances	22,984	1,698,561	13,570	89,056	17,187	1,841,358
Fund balances - beginning of year	6,699,360	4,097,638	1,161,037	802	295,212	12,254,049
Fund balances - end of year	<u>\$ 6,722,344</u>	<u>5,796,199</u>	<u>1,174,607</u>	<u>89,858</u>	<u>312,399</u>	<u>14,095,407</u>

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

Clearfield City Corporation
Reconciliation of the Statement of Revenues, Expenditures, and Changes
In Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

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

Net changes in fund balances - total governmental funds \$ 1,841,358

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. (559,966)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 1,680,000

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. 337,269

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. 82,222

Change in net position of governmental activities \$ 3,380,883

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, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<u>Revenues</u>				
Taxes				
General property taxes	\$ 1,332,357	1,332,357	1,364,045	31,688
General sales and use taxes	3,431,943	3,431,943	3,648,705	216,762
Franchise taxes	923,000	923,000	888,626	(34,374)
Energy sales and use tax	2,229,000	2,229,000	2,361,797	132,797
Transient room tax	7,700	7,700	7,139	(561)
	<u>7,924,000</u>	<u>7,924,000</u>	<u>8,270,312</u>	<u>346,312</u>
Intergovernmental				
Class "C" road allotment	737,000	737,000	771,589	34,589
State liquor allotment	40,000	40,000	38,702	(1,298)
Other grants	20,150	41,125	24,040	(17,085)
Federal grants	237,641	272,255	369,309	97,054
	<u>1,034,791</u>	<u>1,090,380</u>	<u>1,203,640</u>	<u>113,260</u>
Charges for services				
Special police services	507,233	507,233	519,671	12,438
Licenses and permits	329,230	329,230	348,428	19,198
Parks and recreation	1,778,014	1,854,034	1,750,033	(104,001)
Cemetery lots and services	9,000	9,000	8,645	(355)
	<u>2,623,477</u>	<u>2,699,497</u>	<u>2,626,777</u>	<u>(72,720)</u>
Fines and forfeitures	<u>846,000</u>	<u>846,000</u>	<u>700,060</u>	<u>(145,940)</u>
Interest	<u>17,000</u>	<u>17,000</u>	<u>50,844</u>	<u>33,844</u>
Miscellaneous	<u>14,000</u>	<u>14,000</u>	<u>20,325</u>	<u>6,325</u>
Rents and other services	<u>725,782</u>	<u>725,782</u>	<u>726,197</u>	<u>415</u>
<u>Other Financing Sources</u>				
Proceeds from sale of fixed assets	-	-	43,655	43,655
Transfers in	<u>1,113,314</u>	<u>1,116,097</u>	<u>1,226,656</u>	<u>110,559</u>
Total other financing sources	<u>1,113,314</u>	<u>1,116,097</u>	<u>1,270,311</u>	<u>154,214</u>
Total revenues and other financing sources	<u>\$ 14,298,364</u>	<u>14,432,756</u>	<u>14,868,466</u>	<u>435,710</u>

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

Clearfield City Corporation
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund - Continued
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<u>Expenditures</u>				
<u>General government</u>				
Legislative				
Salaries and wages	\$ 56,040	70,297	56,290	14,007
Employee benefits	82,337	82,337	72,414	9,923
Council & mayor	37,250	37,250	23,798	13,452
Materials, supplies, and services	34,574	42,010	41,355	655
	210,201	231,894	193,857	38,037
Judicial				
Salaries and wages	219,947	219,947	216,225	3,722
Employee benefits	70,171	70,171	78,883	(8,712)
Professional services	84,060	84,060	80,987	3,073
Materials, supplies, and services	16,534	16,534	11,660	4,874
	390,712	390,712	387,755	2,957
Executive				
Salaries and wages	487,168	487,168	489,582	(2,414)
Employee benefits	180,283	180,283	181,832	(1,549)
Professional services	25,465	25,465	12,802	12,663
Materials, supplies, and services	117,810	117,810	101,885	15,925
	810,726	810,726	786,101	24,625
Administrative services				
Salaries and wages	665,220	665,220	594,351	70,869
Employee benefits	307,221	307,221	239,286	67,935
Professional services	114,502	114,502	101,515	12,987
Materials, supplies, and services	398,228	393,428	360,458	32,970
Capital outlay	88,690	88,690	55,076	33,614
	1,573,861	1,569,061	1,350,686	218,375
Non-departmental				
Materials, supplies, and services	425,822	424,742	326,530	98,212
Utilities	650,100	650,100	573,628	76,472
Telephone	24,000	24,000	35,477	(11,477)
	\$ 1,099,922	1,098,842	935,635	163,207

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, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<u>Expenditures - continued</u>				
Elections				
Materials, supplies, and services	\$ 24,000	24,000	20,058	3,942
	<u>24,000</u>	<u>24,000</u>	<u>20,058</u>	<u>3,942</u>
Total general government	<u>4,109,422</u>	<u>4,125,235</u>	<u>3,674,092</u>	<u>451,143</u>
<u>Public safety</u>				
Police				
Salaries and wages	2,357,083	2,362,343	2,343,276	19,067
Employee benefits	1,234,052	1,234,052	1,183,226	50,826
Professional services	153,364	153,364	150,523	2,841
Materials, supplies, and services	415,700	454,208	379,159	75,049
Capital outlay	31,000	44,475	39,668	4,807
	<u>4,191,199</u>	<u>4,248,442</u>	<u>4,095,852</u>	<u>152,590</u>
Start grant				
Salaries and wages	64,236	64,236	50,899	13,337
Employee benefits	35,547	35,547	26,846	8,701
Materials, supplies, and services	18,360	18,360	8,670	9,690
	<u>118,143</u>	<u>118,143</u>	<u>86,415</u>	<u>31,728</u>
Total public safety	<u>\$ 4,309,342</u>	<u>4,366,585</u>	<u>4,182,267</u>	<u>184,318</u>

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

Clearfield City Corporation
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund - Continued
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<u>Expenditures - continued</u>				
<u>Highways and public improvements</u>				
Streets and highways				
Salaries and wages	\$ 101,375	101,375	100,341	1,034
Employee benefits	43,158	43,158	42,957	201
Professional services	37,271	37,271	26,093	11,178
Materials, supplies, and services	298,457	298,457	249,641	48,816
Principal payments	235,000	235,000	235,000	-
Interest payments	46,750	46,750	43,263	3,487
Total highways and public improvements	<u>762,011</u>	<u>762,011</u>	<u>697,295</u>	<u>64,716</u>
<u>Community services</u>				
Salaries and wages	1,808,505	1,808,505	1,753,255	55,250
Employee benefits	473,048	473,048	444,113	28,935
Professional services	324,005	324,005	285,602	38,403
Materials, supplies, and services	972,273	1,038,076	1,159,838	(121,762)
Capital outlay	269,000	309,000	92,805	216,195
Total community services	<u>\$ 3,846,831</u>	<u>3,952,634</u>	<u>3,735,613</u>	<u>217,021</u>

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

Clearfield City Corporation
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund - Continued
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures - continued</u>				
<u>Community development</u>				
Administration				
Professional services	\$ 45,906	45,906	48,312	(2,406)
Materials, supplies, and services	193,285	193,285	172,284	21,001
	<u>239,191</u>	<u>239,191</u>	<u>220,596</u>	<u>18,595</u>
CDBG urban redevelopment				
Salaries and wages	11,643	11,643	23,101	(11,458)
Employee benefits	6,198	6,198	7,439	(1,241)
Materials, supplies, and services	57,122	57,122	28,843	28,279
	<u>74,963</u>	<u>74,963</u>	<u>59,383</u>	<u>15,580</u>
Building development services				
Salaries and wages	166,171	166,171	157,266	8,905
Employee benefits	75,202	75,202	66,370	8,832
Professional services	38,428	38,428	22,507	15,921
Materials, supplies, and services	16,623	16,623	8,805	7,818
	<u>296,424</u>	<u>296,424</u>	<u>254,948</u>	<u>41,476</u>
Total community development	<u>610,578</u>	<u>610,578</u>	<u>534,927</u>	<u>75,651</u>
<u>Debt service</u>				
Principal payments	520,000	520,000	520,000	-
Interest payments	469,956	469,956	471,231	(1,275)
Total debt service	<u>989,956</u>	<u>989,956</u>	<u>991,231</u>	<u>(1,275)</u>
Total expenditures	<u>\$ 14,628,140</u>	<u>14,806,999</u>	<u>13,815,425</u>	<u>991,574</u>

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

Clearfield City Corporation
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund - Continued
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<u>Other Financing Uses</u>				
Transfers out	\$ 861,995	876,870	1,030,057	(153,187)
Total other financing uses	861,995	876,870	1,030,057	(153,187)
Net change in fund balances	(1,191,771)	(1,251,113)	22,984	1,274,097
Fund balances, beginning of year	6,699,360	6,699,360	6,699,360	-
Fund balances, end of year	<u>\$ 5,507,589</u>	<u>5,448,247</u>	<u>6,722,344</u>	<u>1,274,097</u>

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

Clearfield City Corporation
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Community Development & Renewal Agency Fund
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<u>Revenues</u>				
Taxes	\$ 2,699,811	2,699,811	3,042,856	343,045
Rents and other services	47,492	47,492	73,798	26,306
Interest	15,000	15,000	21,833	6,833
	<u>2,762,303</u>	<u>2,762,303</u>	<u>3,138,487</u>	<u>376,184</u>
<u>Expenditures</u>				
Current operating				
General government	1,838,993	1,511,611	141,059	1,370,552
Debt service				
Principal retirement	155,000	155,000	155,000	-
Interest payments	17,407	17,407	12,812	4,595
Total expenditures	<u>2,011,400</u>	<u>1,684,018</u>	<u>308,871</u>	<u>1,375,147</u>
Excess of revenue over (under) expenditures	<u>750,903</u>	<u>1,078,285</u>	<u>2,829,616</u>	<u>1,751,331</u>
<u>Other Financing Sources (Uses)</u>				
Land inventory contributed	-	-	(74,816)	(74,816)
Operating transfers in	287,174	614,556	-	(614,556)
Operating transfers (out)	(1,038,077)	(1,495,459)	(1,056,239)	439,220
Total other financing sources (uses)	<u>(750,903)</u>	<u>(880,903)</u>	<u>(1,131,055)</u>	<u>(250,152)</u>
Net change in fund balances	-	197,382	1,698,561	1,501,179
Fund balances, beginning of year	<u>4,097,638</u>	<u>4,097,638</u>	<u>4,097,638</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,097,638</u>	<u>4,295,020</u>	<u>5,796,199</u>	<u>1,501,179</u>

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

Clearfield City Corporation
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-Type Activities - Enterprise						Governmental
	Public Utility Administration	Water Utility	Sewer Utility	Waste Collection	Storm Drain	Total	Activities - Internal Service Funds
<u>Assets</u>							
Current assets							
Cash and cash equivalents	\$ -	4,202,588	2,041,063	1,218,882	2,571,622	10,034,155	-
Accounts receivable (net)	22,758	364,783	262,729	127,157	84,365	861,792	3,050
Due from other funds	-	-	128,642	-	-	128,642	29,443
Prepaid items	-	524,847	-	-	-	524,847	25,250
Restricted cash and cash equivalents	-	1,115,138	213,017	-	418,620	1,746,775	-
Interfund loan - CDRA	1,015,167	-	-	-	-	1,015,167	-
Total current assets	<u>1,037,925</u>	<u>6,207,356</u>	<u>2,645,451</u>	<u>1,346,039</u>	<u>3,074,607</u>	<u>14,311,378</u>	<u>57,743</u>
Noncurrent assets							
Water stock and rights	-	9,162	-	-	-	9,162	-
Land, equipment, buildings, and improvements	-	34,295,966	21,411,398	-	25,868,292	81,575,656	3,264,369
Less: accumulated depreciation	-	(16,196,685)	(10,327,822)	-	(11,202,413)	(37,726,920)	(2,086,802)
Construction in process	-	687,476	811,094	-	252,833	1,751,403	-
Total noncurrent assets	<u>-</u>	<u>18,795,919</u>	<u>11,894,670</u>	<u>-</u>	<u>14,918,712</u>	<u>45,609,301</u>	<u>1,177,567</u>
Total assets	<u>\$ 1,037,925</u>	<u>25,003,275</u>	<u>14,540,121</u>	<u>1,346,039</u>	<u>17,993,319</u>	<u>59,920,679</u>	<u>1,235,310</u>
<u>Liabilities and Net Position</u>							
Current liabilities							
Accounts payable and accrued liabilities	\$ 12,671	98,025	223,814	75,760	165,540	575,810	7,949
Customer deposits	109,545	-	-	-	-	109,545	-
Due to other funds	757,766	-	-	-	-	757,766	212,594
Compensated absences - current	3,816	4,770	5,941	-	-	14,527	-
Revenue bond payable - current	-	265,000	-	-	-	265,000	-
Total current liabilities	<u>\$ 883,798</u>	<u>367,795</u>	<u>229,755</u>	<u>75,760</u>	<u>165,540</u>	<u>1,722,648</u>	<u>220,543</u>

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

Clearfield City Corporation
Statement of Net Position - Continued
Proprietary Funds
June 30, 2014

	Business-Type Activities - Enterprise						Governmental
	Public Utility Administration	Water Utility	Sewer Utility	Waste Collection	Storm Drain	Total	Activities - Internal Service Funds
Non current liabilities							
Compensated							
absences - noncurrent	\$ 7,087	8,858	11,033	-	-	26,978	-
Revenue bond payable							
- noncurrent	-	1,490,109	-	-	-	1,490,109	-
Total noncurrent liabilities	<u>7,087</u>	<u>1,498,967</u>	<u>11,033</u>	<u>-</u>	<u>-</u>	<u>1,517,087</u>	<u>-</u>
Total liabilities	<u>890,885</u>	<u>1,866,762</u>	<u>240,788</u>	<u>75,760</u>	<u>165,540</u>	<u>3,239,735</u>	<u>220,543</u>
Net position							
Net investment in capital assets	-	17,040,810	11,894,670	-	14,918,712	43,854,192	1,177,567
Restricted							
Impact fees	-	1,031,438	213,017	-	418,620	1,663,075	-
Debt service	-	83,700	-	-	-	83,700	-
Other	109,545	-	-	-	-	109,545	-
Unrestricted	37,495	4,980,565	2,191,646	1,270,279	2,490,447	10,970,432	(162,800)
Total net position	<u>147,040</u>	<u>23,136,513</u>	<u>14,299,333</u>	<u>1,270,279</u>	<u>17,827,779</u>	<u>56,680,944</u>	<u>1,014,767</u>
Total liabilities and net position	<u>\$ 1,037,925</u>	<u>25,003,275</u>	<u>14,540,121</u>	<u>1,346,039</u>	<u>17,993,319</u>	<u>59,920,679</u>	<u>1,235,310</u>

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

Clearfield City Corporation
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Business-Type Activities - Enterprise					Total	Governmental Activities -
	Public Utility Administration	Water Utility	Sewer Utility	Waste Collection	Storm Drain		Internal Service Funds
<u>Operating Revenues</u>							
Charges for services	\$ 149,946	3,459,034	2,757,461	1,239,842	894,103	8,500,386	1,084,597
Impact fees	-	171,996	65,882	-	42,960	280,838	-
Miscellaneous	-	-	880	-	-	880	16,543
Total operating revenues	149,946	3,631,030	2,824,223	1,239,842	937,063	8,782,104	1,101,140
<u>Operating Expenses</u>							
Salaries and wages	116,401	295,636	190,806	36,421	96,598	735,862	154,413
Employee benefits	56,596	143,292	80,483	13,105	42,209	335,685	-
Maintenance, supplies, and contracts	85,762	1,877,423	1,768,607	1,034,126	177,297	4,943,215	672,677
Depreciation and amortization	-	884,463	563,498	-	664,490	2,112,451	229,223
Total operating expenses	258,759	3,200,814	2,603,394	1,083,652	980,594	8,127,213	1,056,313
Net operating income	\$ (108,813)	430,216	220,829	156,190	(43,531)	654,891	44,827

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

Clearfield City Corporation
Statement of Revenues, Expenses, and Changes in Fund Net Position - Continued
Proprietary Funds
For the Year Ended June 30, 2014

	Business-Type Activities - Enterprise					Total	Governmental
	Public Utility Administration	Water Utility	Sewer Utility	Waste Collection	Storm Drain		Activities - Internal Service Funds
<u>Nonoperating Revenues (Expenses)</u>							
Gain/(loss) on disposal of capital assets	\$ -	(46,674)	(431,583)	-	-	(478,257)	63,219
Interest revenue	5,647	20,868	6,027	2,532	6,774	41,848	-
Interest expense	-	(78,300)	-	-	-	(78,300)	-
Total nonoperating revenues (expenses)	5,647	(104,106)	(425,556)	2,532	6,774	(514,709)	63,219
Income (loss) before contributions and transfers	(103,166)	326,110	(204,727)	158,722	(36,757)	140,182	108,046
Transfers in	106,652	-	-	-	-	106,652	-
Transfers (out)	-	(356,677)	(181,073)	(95,740)	(32,989)	(666,479)	-
Change in net position	3,486	(30,567)	(385,800)	62,982	(69,746)	(419,645)	108,046
Total net position - beginning, as adjusted	143,554	23,167,080	14,685,133	1,207,297	17,897,525	57,100,589	906,721
Total net position - ending	\$ 147,040	23,136,513	14,299,333	1,270,279	17,827,779	56,680,944	1,014,767

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, 2014

	Business-Type Activities - Enterprise Fund:					Total	Governmental
	Public Utility Administration	Water Utility	Sewer Utility	Waste Collection	Storm Drain		Internal Service Funds
<u>Cash flows from operating activities</u>							
Receipts from customers	\$ 160,859	3,594,589	2,797,125	1,251,506	934,294	8,738,373	1,102,771
Payments to suppliers	(80,022)	(1,820,650)	(1,903,064)	(1,033,843)	(65,565)	(4,903,144)	(515,966)
Payments to employees	(170,315)	(444,137)	(269,374)	(49,526)	(138,807)	(1,072,159)	(154,413)
Net cash provided (used) by operating activities	(89,478)	1,329,802	624,687	168,137	729,922	2,763,070	432,392
<u>Cash flows from noncapital financing activities</u>							
Advances (to) from other funds	(22,821)	17,657	(117,594)	114,361	2,871	(5,526)	(224,247)
Transfers from other funds	106,652	-	-	-	-	106,652	-
Transfers to other funds	-	(356,677)	(181,073)	(95,740)	(32,989)	(666,479)	-
Net cash provided (used) by noncapital financing activities	83,831	(339,020)	(298,667)	18,621	(30,118)	(565,353)	(224,247)
<u>Cash flows from capital and related financing activities</u>							
Purchases of capital assets	-	(2,006,744)	(697,847)	-	(231,286)	(2,935,877)	(246,308)
Proceeds from sale of capital assets	-	-	-	-	-	-	38,163
Principal paid on capital debt	-	(255,000)	-	-	-	(255,000)	-
Interest paid on capital debt	-	(78,300)	-	-	-	(78,300)	-
Net cash provided (used) by capital and related financing activities	-	(2,340,044)	(697,847)	-	(231,286)	(3,269,177)	(208,145)
<u>Cash flows from investing activities</u>							
Interest and dividends received	5,647	20,868	6,027	2,532	6,774	41,848	-
Net cash provided (used) by investing activities	5,647	20,868	6,027	2,532	6,774	41,848	-
Net increase (decrease) in cash and cash equivalents	-	(1,328,394)	(365,800)	189,290	475,292	(1,029,612)	-
Cash and cash equivalents - beginning	-	6,646,120	2,619,880	1,029,592	2,514,950	12,810,542	-
Cash and cash equivalents - ending	\$ -	5,317,726	2,254,080	1,218,882	2,990,242	11,780,930	-

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, 2014

	Business-Type Activities - Enterprise Fund:					Total	Governmental
	Public Utility Administration	Water Utility	Sewer Utility	Waste Collection	Storm Drain		Internal Service Funds
<u>Reconciliation of operating income to net cash provided (used) by operating activities</u>							
Operating income (loss)	\$ (108,813)	430,216	220,829	156,190	(43,531)	654,891	44,827
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation and amortization expense	-	884,463	563,498	-	664,490	2,112,451	229,223
(Increase)/decrease in accounts receivable	(16,427)	(36,441)	(27,098)	11,664	(2,769)	(71,071)	1,631
(Increase)/decrease in prepaid items	-	19,164	-	-	-	19,164	178,153
Increase /(decrease) in accounts payable	5,740	39,632	(134,457)	283	111,732	22,930	(21,442)
Increase /(decrease) in customer deposits	27,340	-	-	-	-	27,340	-
Increase /(decrease) in compensated absences	2,682	(5,209)	1,915	-	-	(612)	-
Increase /(decrease) in unearned revenue	-	(2,023)	-	-	-	(2,023)	-
Total adjustments	<u>19,335</u>	<u>899,586</u>	<u>403,858</u>	<u>11,947</u>	<u>773,453</u>	<u>2,108,179</u>	<u>387,565</u>
Net cash provided (used) by operating activities	<u>\$ (89,478)</u>	<u>1,329,802</u>	<u>624,687</u>	<u>168,137</u>	<u>729,922</u>	<u>2,763,070</u>	<u>432,392</u>

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

Clearfield City Corporation
Statement of Assets and Liabilities
Fiduciary Fund - An Agency Fund
June 30, 2014

	<u>Offsite Improvements</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 50,691
<u>Liabilities</u>	
Due to developers	50,691
Total liabilities	\$ 50,691

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

NOTES TO FINANCIAL STATEMENTS

Clearfield City Corporation

Notes to Financial Statements

June 30, 2014

Note 1 - Summary of Significant Accounting Policies

Reporting entity

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

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

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

Blending means that component unit balances and transactions are combined with balances and transactions of the primary government. Although legally separate from the City, the above component 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, 381 North 3150 West, West Point, Utah 84015.

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 1 - Summary of Significant Account Policies - continued

Description Government-wide and fund financial statements

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

Basis of presentation - government-wide financial statements

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

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

Basis of presentation - fund financial statements

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

Note 1 - Summary of Significant Account Policies - continued

The City reports the following major governmental funds:

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

The *community development & renewal agency fund* accounts for and reports community development & 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 held.

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 which provide additional funding as available.

The City reports the following major proprietary funds:

The *public utility administration fund* accounts for and reports the administration of the City's public utility system.

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 1 - Summary of Significant Account Policies - continued

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

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

Measurement focus and basis of accounting

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

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

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 1 - Summary of Significant Account Policies - continued

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

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

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

1. 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.

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

Note 1 - Summary of Significant Account Policies - continued

2. Prepaid items

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

3. Receivables

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

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.

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Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 1 - Summary of Significant Account Policies - continued

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.

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

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

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

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

Note 1 - Summary of Significant Account Policies - continued

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of deferred inflow of resources. Property taxes to be collected in November were unavailable in the current fiscal year. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Long-term obligations

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

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

Note 1 - Summary of Significant Account Policies - continued

7. Net position flow assumption

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

8. Fund balance flow assumptions

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

9. Fund balance/net position policies

Government-wide financial statements

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

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

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

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 1 - Summary of Significant Account Policies - continued

9. Fund balance/net position policies - continued

Fund financial statements

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as Nonspendable, Restricted, Committed, Assigned, or Unassigned. Descriptions of each follow:

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

Restricted fund balance - Amounts restricted by enabling legislation. Also reported if, (a) externally imposed by creditors, grantors, contributors, or laws regulations 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. The City Council has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

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

Note 1 - Summary of Significant Account Policies - continued

Revenues and expenditures/expenses

1. Program revenues

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

2. Property taxes

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

3. Compensated absences

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

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 1 - Summary of Significant Account Policies - continued

4. Proprietary funds operating and nonoperating revenues and expenses

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

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

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

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

Capital related items:

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

Cost of capital assets	\$ 73,709,682
Accumulated depreciation	<u>(40,792,516)</u>
Total difference	<u><u>\$ 32,917,166</u></u>

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 position includes the following costs:

Bond discount	\$ 15,312
	<u>\$ 15,312</u>

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

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

Long-term debt transactions:

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financials. All liabilities (both current and long-term) are reported in the statement of net position. Balances at June 30, 2014 were:

General obligation bonds	\$ 6,390,000
Revenue bonds	12,670,000
Bond discount	(15,312)
Bond premium	129,438
Interest payable on long-term debt	371,038
Compensated absences	412,318
	<hr/>
Total difference	<u><u>\$ 19,957,482</u></u>

Internal service funds:

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

	<u>Fleet</u>	<u>Risk</u>
	<u>Management</u>	<u>Management</u>
Net position of the internal service funds	<u><u>\$ (217,493)</u></u>	<u><u>54,693</u></u>

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

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

Capital outlay	\$ 839,624
Loss on disposal of capital assets	5,635
Depreciation expense	(1,405,225)
	<hr/>
Net difference as reported	<u><u>\$ (559,966)</u></u>

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

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

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

Principal repayments:	
General obligation debt	\$ 770,000
Revenue bond obligations	910,000
	<u>910,000</u>
Net difference as reported	<u>\$ 1,680,000</u>

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

Compensated absences	\$ 33,340
Amortization of bond premiums	23,400
Amortization of bond discounts	(1,093)
Accrued interest	26,575
	<u>26,575</u>
Net difference as reported	<u>\$ 82,222</u>

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

	Fleet <u>Management</u>	Risk <u>Management</u>
Changes in net position	\$ 62,136	45,910
Depreciation on fleet assets	229,223	-
	<u>229,223</u>	<u>-</u>
Net difference reported	<u>\$ 291,359</u>	<u>45,910</u>

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

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 25% of the total current year revenue of the General Fund. In the event that the fund balance, at the end of the fiscal year, is in excess of that allowed, the City has one year to determine an appropriate use and then the excess must be included as an available resource in the General Fund budget. For the current year, the City is not in compliance based on the above range. The General Fund is over state compliance limits by \$1,733,036.

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

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, 2014, the City had the following deposits and investments:

	<u>Fair Value</u>
Cash on deposit	\$ 1,363,104
Utah Public Treasurers' Investment Fund	<u>23,401,471</u>
	<u>\$ 24,764,575</u>

Custodial Credit Risk - Deposits - Custodial credit risk for deposits is the risk that, in the event of a bank failure, the local government's deposits may not be recovered. The local government's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the 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, 2014, \$863,104 of the \$1,363,104 balance of deposits was exposed to custodial credit risk because it was uninsured and uncollateralized.

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 4 - Detailed Notes on All Funds - continued

Deposits and investments - continued

Custodial Credit Risk - Investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments that are in the possession of an outside party. The local government is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances. For the year ended June 30, 2014, the City had investments of \$23,401,471 with the PTIF at fair value. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

Credit Risk - Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The local government's policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits or qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard & Poors; bankers acceptances; obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated "A" or higher by two nationally recognized statistical rating organizations as defined in the Act.

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.

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 4 - Detailed Notes on All Funds - continued

Deposits and 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.

Components of cash and investments (including interest earning deposits) at June 30, 2014, are as follows:

Cash on hand and on deposit	
Cash on hand	\$ 5,050
Cash on deposit	1,187,262
Utah State Treasurer's investment pool account	<u>23,401,471</u>
Total cash and investments	<u><u>\$24,593,783</u></u>

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

Cash and cash equivalents	\$21,018,837
Restricted cash	<u>3,524,255</u>
Cash and investments - government-wide statement of net position	24,543,092
Cash and cash equivalents - statement of fiduciary assets and liabilities	<u>50,691</u>
Total cash and investments	<u><u>\$24,593,783</u></u>

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 4 - Detailed Notes on All Funds - continued

Receivables

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

	Governmental	Business-type	Total
Accounts, net	\$ 145,882	864,842	1,010,724
B & C road	143,185	-	143,185
Property taxes	2,212,947	-	2,212,947
Intergovernmental	967,885	-	967,885
	<u>\$ 3,469,899</u>	<u>864,842</u>	<u>4,334,741</u>

The business-type accounts receivable includes \$12,547 in allowance for doubtful accounts for utility services.

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

	Unavailable	Unearned
Property taxes	\$ 2,053,915	-
Total deferred / unearned revenue for governmental funds	<u>\$ 2,053,915</u>	<u>-</u>

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 4 - Detailed Notes on All Funds - continued

Capital assets

Capital asset activity for the year ended June 30, 2014 was as follows:

Primary Government

Governmental Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 4,943,221	-	-	4,943,221
Construction in progress	683,160	553,499	641,447	595,212
Water rights	25,200	-	-	25,200
Total capital assets not being depreciated	5,651,581	553,499	641,447	5,563,633
Capital assets being depreciated:				
Buildings	25,077,511	23,000	-	25,100,511
Improvements	1,784,907	167,800	-	1,952,707
Machinery and equipment	6,720,715	873,625	336,342	7,257,998
Infrastructure	33,809,361	184,831	159,359	33,834,833
Total capital assets being depreciated	67,392,494	1,249,256	495,701	68,146,049
Less accumulated depreciation for:				
Buildings	7,122,919	653,489	-	7,776,408
Improvements	601,819	91,626	-	693,445
Machinery and equipment	4,574,271	510,848	291,658	4,793,461
Infrastructure	27,539,299	149,262	159,359	27,529,202
Total accumulated depreciation	39,838,308	1,405,225	451,017	40,792,516
Total capital assets, being depreciated, net	27,554,186	(155,969)	44,684	27,353,533
Governmental activities capital assets, net	\$ 33,205,767	397,530	686,131	32,917,166

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 4 - Detailed Notes on All Funds - continued

Capital assets - continued

Primary Government

Business-type Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in process	\$ 1,098,558	1,760,387	1,107,542	1,751,403
Land	1,404,577	-	-	1,404,577
Water stock and rights	9,162	-	-	9,162
Total capital assets not being depreciated	2,512,297	1,760,387	1,107,542	3,165,142
Capital assets being depreciated:				
Buildings	2,965,522	414,157	-	3,379,679
Improvements	308,789	36,852	-	345,641
Infrastructure	74,015,354	1,651,728	741,847	74,925,235
Machinery and equipment	1,522,504	-	1,980	1,520,524
Total capital assets being depreciated	78,812,169	2,102,737	743,827	80,171,079
Less accumulated depreciation for:				
Buildings	2,555,072	31,469	-	2,586,541
Improvements	72,043	15,458	-	87,501
Infrastructure	32,676,569	1,978,401	408,936	34,246,034
Machinery and equipment	721,701	87,123	1,980	806,844
Total accumulated depreciation	36,025,385	2,112,451	410,916	37,726,920
Total capital assets, being depreciated, net	42,786,784	(9,714)	332,911	42,444,159
Business-type activities capital assets, net	\$ 45,299,081	1,750,673	1,440,453	45,609,301

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 4 - Detailed Notes on All Funds - continued

Capital assets - continued

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

Governmental activities:

General government	\$ 463,221
Public safety	86,507
Public works	3,530
Highways and public improvements	156,760
Community services	465,984
Internal service fund	229,223
Total depreciation expense - governmental activities	<u>1,405,225</u>

Business-type activities:

Water	884,463
Sewer	563,498
Storm sewer	664,490
Total depreciation expense - business-type activities	<u>2,112,451</u>
Total depreciation expense	<u><u>\$ 3,517,676</u></u>

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Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

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
Total capital assets not being depreciated	200,110	-	-	200,110
Capital assets being depreciated:				
Buildings and improvements	3,006,948	-	-	3,006,948
Machinery and equipment	2,086,886	187,824	50,000	2,224,710
Total capital assets being depreciated	5,093,834	187,824	50,000	5,231,658
Less accumulated depreciation for:				
Buildings and improvements	363,219	75,174	-	438,393
Machinery and equipment	1,232,985	277,840	50,000	1,460,825
Total accumulated depreciation	1,596,204	353,014	50,000	1,899,218
Total capital assets, being depreciated, net	3,497,630	(165,190)	-	3,332,440
Business-type activities capital assets, net	\$ 3,697,740	(165,190)	-	3,532,550

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Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 4 - Detailed Notes on All Funds - continued

Interfund receivables, payables, and transfers

Individual interfund receivable and payable balances at June 30, 2014 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ -	30,477
Community Development & Renewal Agency	-	412,585
Capital Projects	1,222,162	-
G.O. Bond Fund	89,858	-
Public Utility Administration	-	757,766
Water Utility	-	-
Sewer Utility	128,642	-
Internal Service Fund - Fleet	-	212,594
Internal Service Fund - Risk	29,443	-
Nonmajor Governmental	-	56,683
	<u>\$ 1,470,105</u>	<u>1,470,105</u>

<u>Fund</u>	<u>Loans Receivable Other Funds</u>	<u>Loans Payable Other Funds</u>
Community Development & Renewal Agency	\$ -	1,015,167
Public Utility Administration	1,015,167	-
	<u>\$ 1,015,167</u>	<u>1,015,167</u>

Interfund transfers:

	<u>Transfer in</u>				<u>Total Transfers out</u>
	<u>General Fund</u>	<u>G.O. Bond Fund</u>	<u>Capital Projects</u>	<u>Non-Major Governmental</u>	
Transfers out:					
General Fund	\$ -	-	1,030,057	-	1,030,057
CDRA Fund	1,056,238	-	-	-	1,056,238
Enterprise funds	167,635	392,193	-	-	559,828
Total	<u>\$ 1,226,656</u>	<u>392,193</u>	<u>1,030,057</u>	<u>-</u>	<u>2,648,906</u>

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

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

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 4 - Detailed Notes on All Funds - continued

Leases commitments

Operating Leases

The City has entered into various operating leases with local individuals and businesses for the use of property held for redevelopment. These leases are month to month and are cancelable at any time by either party. For the year ended June 30, 2014 lease revenue amounted to \$72,697.

Long-term debt

Long-term liability activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable					
General obligation					
bonds	\$ 7,160,000	-	(770,000)	6,390,000	800,000
General obligation					
bonds - premium	125,396	-	(17,914)	107,482	-
Revenue bonds	13,580,000	-	(910,000)	12,670,000	785,000
Revenue bonds					
- discount	(16,405)	-	1,093	(15,312)	-
Revenue bonds					
- premium	27,442	-	(5,486)	21,956	-
Total bonds payable	20,876,433	-	(1,702,307)	19,174,126	1,585,000
Compensated absences	445,658	215,940	(249,280)	412,318	230,631
Governmental activity					
long-term liabilities	\$ 21,322,091	215,940	(1,951,587)	19,586,444	1,815,631
Business-type activities:					
Bonds payable					
Revenue bonds	\$ 2,000,000	-	(255,000)	1,745,000	265,000
Revenue bonds					
- premium	12,132	-	(2,023)	10,109	-
Compensated absences	42,117	42,050	(42,662)	41,505	14,527
Business-type activities:					
long-term liabilities	\$ 2,054,249	42,050	(299,685)	1,796,614	279,527

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

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 4 - Detailed Notes on All Funds - continued

Long-term debt - continued

General obligation issues at June 30, 2014 consist of the following:

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
2005	Refunding bonds for series 1998 used to finance the acquisition and construction of major capital facilities	\$ 10,105,000	3.0% - 5.0%	2021	6,390,000
				Governmental activities	<u>\$ 6,390,000</u>

Tax revenue issues at June 30, 2014 consist of the following:

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
<i>Sales tax revenue bonds</i>					
2003	To finance the costs of acquiring or constructing such projects as: aquatic center, park improvements, overpass repairs, water and sewer improvements	\$ 14,650,000	2.0% - 5.0%	2028	1,710,000
2006	Refunding bonds for partial refunding of series 2003 bonds.	\$ 9,700,000	3.625% - 4.150%	2028	9,440,000
2010	Refunding bonds for series 2009 sales tax bonds.	\$ 2,210,000	1.5% - 3.25%	2019	1,520,000
<i>CRDA tax Increment Bonds</i>					
2004	Refunding bonds for series 2000 tax increment bonds.	\$ 1,399,000	2.55% - 4.30%	2014	-
<i>Water revenue bonds</i>					
2007	Finance the acquisition and construction of major capital facilities.	\$ 3,330,000	4.00%	2020	1,745,000
					<u>\$ 14,415,000</u>
				Governmental activities	\$ 12,670,000
				Business-type activities	1,745,000
					<u>\$ 14,415,000</u>

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 4 - Detailed Notes on All Funds - continued

Long-term debt - continued

Years Ending June 30	Governmental Activities				Business-type Activities	
	General Obligation		Sales Tax Revenue		Water Revenue	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 800,000	293,025	785,000	484,600	265,000	69,800
2016	830,000	259,025	810,000	457,226	275,000	59,200
2017	870,000	223,750	845,000	428,079	285,000	48,200
2018	900,000	180,250	875,000	396,407	295,000	36,800
2019	950,000	139,750	915,000	370,213	305,000	25,000
2020-2024	2,040,000	149,000	3,940,000	1,319,107	320,000	12,800
2025-2029	-	-	450,000	481,137	-	-
Total	\$ 6,390,000	1,244,800	8,620,000	3,936,769	1,745,000	251,800

Advance and current refunding

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 position. 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, 2014 was \$6,455,000.

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 position. 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, 2014 was \$8,820,000.

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 position. 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, 2014 was \$1,444,000.

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 4 - Detailed Notes on All Funds - continued

Advance and current refunding - continued

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 position. 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, 2014 was \$515,000.

Discretely presented component unit - North Davis Fire District

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	\$ 2,543,000	-	(143,000)	2,400,000	150,000
Capital leases	545,209	-	(53,689)	491,520	55,294
Compensated absences	100,273	44,547	-	144,820	-
Total component unit long-term liabilities	<u>\$ 3,188,482</u>	<u>44,547</u>	<u>(196,689)</u>	<u>3,036,340</u>	<u>205,294</u>

The District purchased an 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 capital lease obligations. In the government-wide statements, assets and liabilities resulting from capital leases are recorded at the inception of the lease at either the lower of fair value or the present value of the future minimum lease payments. The principal portion of lease payments reduces the liability and the interest portion is expensed. In government fund statements, both the principal and interest portions of capital lease payments are recorded as expenditures. The first principal and interest payment of \$69,991 was made on September 14, 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, 2014.

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 4 - Detailed Notes on All Funds - continued

Discretely presented component unit - North Davis Fire District - continued

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

Year Ending June 30	Governmental Activities
2014	\$ 69,991
2015	69,991
2016	69,991
2017	69,991
2018	69,991
Thereafter	209,969
Total minimum lease payments	559,924
Less: amount representing interest	(68,404)
Present value of minimum lease payments	<u>\$ 491,520</u>

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.

In February of 2013, the District amended the terms of the bonds at a lower 3.38% interest rate adding \$18,000 in Bond Issuance costs to the bond payable. The transaction resulted in future savings on debt service payments of \$252,192 over the remaining 14 years of bonds. The District has pledged future revenues to repay these bonds.

Year Ending June 30	Principal	Interest
2015	\$ 150,000	81,120
2016	155,000	76,050
2017	160,000	70,811
2018	165,000	65,403
2019	170,000	59,826
2020-2024	950,000	208,546
2025-2027	650,000	44,447
Total	<u>\$ 2,400,000</u>	<u>606,203</u>

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

Plan description

The City contributes to the following cost-sharing multiple-employer defined benefit pension plans (the Systems) administered by the Utah Retirement Systems (the URS).

- Tier 1 Public Employees' Noncontributory Retirement System
- Tier 1 Public Safety Employees' Contributory Retirement System
- Tier 1 Public Safety Employees' Noncontributory Retirement
- Tier 2 Public Employees' Contributory Retirement System
- Tier 2 Public Safety Employees' Contributory Retirement System

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Title 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (the 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 Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, and Public Safety Retirement System for employers with Social Security coverage. A copy of the report may be obtained by writing the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding policy

The contribution requirements of the Systems are authorized by statute and specified by the Utah State Retirement Board. The contribution rates are actuarially determined rates. Plan members in the Tier 1 Public Employees' Contributory Retirement System are required to contribute a percentage of their annual covered salary and the City is required to contribute a percentage of the employee's annual covered salary (currently the City pays both the employee and employer rate.) The City is required to contribute a percentage of salary for members in the noncontributory systems; currently no contribution is required of the employee.

The 2014 contribution rates and employer contributions required and paid (in dollars for the years ending June 30, 2014, 2013, and 2012 are outlined below:

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 5 - Other Information - continued

Retirement plans - continued

	Percent of Covered Payroll		Employer Contributions		
	Employee Contribution Paid by City	City's Contribution	2014	2013	2012
<i>Tier 1 Retirement Systems</i>					
Public Employees					
Noncontributory	n/a	17.29%	\$ 508,305	\$ 505,433	\$ 463,956
Public Safety					
Noncontributory	n/a	32.14%	\$ 449,220	\$ 431,262	\$ 406,345
<i>Tier 2 Retirement Systems</i>					
Public Employees					
Contributory	n/a	13.99%	\$ 36,111	\$ 22,526	\$ 9,811
Public Safety					
Contributory	n/a	20.85%	\$ 5,585	\$ 1,543	\$ 3,365

The City's contributions in dollars to each of the systems for the years ending June 30, 2014, 2013, and 2012 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 \$50,390 for the year ended June 30, 2014.

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 or noncontributory plan 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 \$59,717 for the year ended June 30, 2014.

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 5 - Other Information - continued

Commitments and Contingencies

The City has commitments related to capital improvements, capital purchases, and other contractual agreements at June 30, 2014, for the following:

Fund	Capital Purchases	Capital Improvements	Other	Total
General Fund	\$ 21,000	1,237,420	82,322	1,340,742
Community Development and Renewal Fund	-	150,000	-	150,000
Capital Projects Fund	-	685,201	-	685,201
Water Fund	-	1,100,605	-	1,100,605
Sewer Fund	-	671,807	-	671,807
Storm Sewer Fund	-	314,531	-	314,531
	\$ 21,000	4,159,564	82,322	4,262,886

Risk management

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

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

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

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

Note 5 - Other Information - continued

Community Development & Renewal Agency

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

Area #6	\$ 222,726
Area #7	294,315
Area #8	170,534
Area #9	297,197
Area #10	330,351
EDA	<u>1,727,733</u>
Total Increment Money	<u><u>\$ 3,042,856</u></u>

Outstanding debt of the CDRA consists of the following:

Interfund loan with enterprise administration fund	\$ 1,015,167
Advances from and amounts due to other funds	<u>412,585</u>
	<u><u>\$ 1,427,752</u></u>

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

Administration Costs	\$ 141,059
Debt repayment and bond issuance costs	<u>167,812</u>
	<u><u>\$ 308,871</u></u>

Clearfield City Corporation
Notes to Financial Statements - Continued
June 30, 2014

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, 2014, the following bonds were outstanding:

<u>Company</u>	<u>Balance at June 30, 2014</u>
Oakstone, L.C. 1997A and B	\$ 15,000,000
Utah Stamping Company 2005	3,000,000

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

Prior period adjustments

The City determined that there was an error in the calculation of depreciation expense. This resulted in a \$291,073 decrease in the beginning net position of the Water Fund. A similar adjustment was made to the Sewer Fund for \$209,821.

The City has implemented GASB 65 Items Previously Reported as Assets and Liabilities. Standards require that costs of issuance no longer be amortized over the term of the debt, but are expensed in the period incurred. As a result, the net position of the water fund has decreased by \$34,948, and the net position reported of the governmental activities on the government-wide financial statements has decreased by \$192,805.

Subsequent events

Subsequent events have been evaluated through December 12, 2014, the date that the financial statements were available to be issued.

On November 4, 2014 the City issued General Obligation Refunding Bonds, Series 2014 in the amount of \$5,465,000. These bonds were issued in full payment of the General Obligation Refunding Bonds, Series 2005.

SUPPLEMENTAL INFORMATION

Clearfield City Corporation

Governmental Fund Descriptions

June 30, 2014

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, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<u>Revenues</u>				
Interest	\$ -	-	1,658	1,658
<u>Expenditures</u>				
Capital outlay	861,995	1,861,658	1,018,145	843,513
Excess (deficiency) of revenues over (under) expenditures	(861,995)	(1,861,658)	(1,016,487)	845,171
<u>Other Financing Sources (Uses)</u>				
Transfers in	861,995	876,870	1,030,057	153,187
Total other financing sources (uses)	861,995	876,870	1,030,057	153,187
Net change in fund balances	-	(984,788)	13,570	998,358
Fund balances, beginning of year	1,161,037	1,161,037	1,161,037	-
Fund balances, end of year	<u>\$ 1,161,037</u>	<u>176,249</u>	<u>1,174,607</u>	<u>998,358</u>

Clearfield City Corporation
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - G.O. Bond
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 716,000	716,000	793,113	77,113
Total revenues	716,000	716,000	793,113	77,113
<u>Expenditures</u>				
Bond issue costs	500	500	500	-
Principal retirement	770,000	770,000	770,000	-
Interest and fiscal charges	325,750	325,750	325,750	-
Total expenditures	1,096,250	1,096,250	1,096,250	-
Excess (deficiency) of revenues over expenditures	(380,250)	(380,250)	(303,137)	77,113
<u>Other Financing Sources (Uses)</u>				
Transfers in	380,250	380,250	392,193	11,943
Total other financing sources (uses)	380,250	380,250	392,193	11,943
Net change in fund balances	-	-	89,056	89,056
Fund balances, beginning of year	802	802	802	-
Fund balances, end of year	\$ 802	802	89,858	89,056

Clearfield City Corporation
Combining Balance Sheet - Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	Capital Projects	Permanent Fund	Total Nonmajor Governmental Funds
	Parks	Cemetery Perpetual Care	
<u>Assets</u>			
Cash and cash equivalents	\$ -	20,341	20,341
Restricted cash and cash equivalents	152,532	196,209	348,741
Total assets	<u>152,532</u>	<u>216,550</u>	<u>369,082</u>
<u>Liabilities and Fund Balances</u>			
Liabilities			
Due to other funds	36,342	20,341	56,683
Total liabilities	<u>36,342</u>	<u>20,341</u>	<u>56,683</u>
Fund balances			
Restricted for:			
Capital projects	152,532	-	152,532
Cemetery perpetual care	-	196,209	196,209
Unassigned, reported in:			
Capital projects funds	(36,342)	-	(36,342)
Total fund balances	<u>116,190</u>	<u>196,209</u>	<u>312,399</u>
Total liabilities and fund balances	<u>\$ 152,532</u>	<u>216,550</u>	<u>369,082</u>

Clearfield City Corporation
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2014

	<u>Capital Projects</u>	<u>Permanent Fund Cemetery Perpetual Care</u>	<u>Total Nonmajor Governmental Fund</u>
<u>Revenues</u>	<u>Parks</u>		
Intergovernmental	\$ -	7,185	7,185
Impact fees	61,254	-	61,254
Interest	573	958	1,531
Total	<u>61,827</u>	<u>8,143</u>	<u>69,970</u>
<u>Expenditures</u>			
General government	<u>50,000</u>	-	<u>50,000</u>
Total expenditures	<u>50,000</u>	-	<u>50,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,827</u>	<u>8,143</u>	<u>19,970</u>
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	<u>-</u>	<u>(2,783)</u>	<u>(2,783)</u>
Total other financing sources (uses)	<u>-</u>	<u>(2,783)</u>	<u>(2,783)</u>
Net change in fund balances	11,827	5,360	17,187
Fund balances, beginning of year	<u>104,363</u>	<u>190,849</u>	<u>295,212</u>
Fund balances, end of year	<u>\$ 116,190</u>	<u>196,209</u>	<u>312,399</u>

Clearfield City Corporation
Statement of Changes in Assets and Liabilities
Fiduciary Fund
For the Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>Assets</u>				
Cash and cash equivalents	\$ 63,691	59,000	(72,000)	50,691
Total assets	\$ 63,691	59,000	(72,000)	50,691
<u>Liabilities</u>				
Due to developers	\$ 63,691	59,000	(72,000)	50,691
Total liabilities	\$ 63,691	59,000	(72,000)	50,691

Clearfield City Corporation
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Parks Fund
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		Actual Amounts	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Interest	\$ 1,384	1,384	573	(811)
Impact fees	23,031	23,031	61,254	38,223
	<u>24,415</u>	<u>24,415</u>	<u>61,827</u>	<u>37,412</u>
<u>Expenditures</u>				
General government	-	-	50,000	(50,000)
Excess of revenue over expenditures	24,415	24,415	11,827	(12,588)
<u>Other Financing Sources (Uses)</u>				
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	24,415	24,415	11,827	(12,588)
Fund balances, beginning of year	104,363	104,363	104,363	-
Fund balances, end of year	<u>\$ 128,778</u>	<u>128,778</u>	<u>116,190</u>	<u>(12,588)</u>

Clearfield City Corporation
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Cemetery Perpetual Care Fund
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
<u>Revenues</u>				
Interest	\$ 1,000	1,000	958	(42)
Intergovernmental	9,000	9,000	7,185	(1,815)
Total revenues	10,000	10,000	8,143	(1,857)
<u>Expenditures</u>				
General government	10,000	12,783	-	12,783
Excess (deficiency) of revenues over expenditures	-	(2,783)	8,143	10,926
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	-	-	(2,783)	(2,783)
Total other financing sources (uses)	-	-	(2,783)	(2,783)
Net change in fund balances	-	(2,783)	5,360	8,143
Fund balances, beginning of year	190,849	190,849	190,849	-
Fund balances, end of year	\$ 190,849	188,066	196,209	8,143

Clearfield City Corporation
Internal Fund Descriptions
June 30, 2014

Internal Service Funds

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

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

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

Clearfield City Corporation
Combining Statement of Net Position
Internal Service Funds
June 30, 2014

	Internal Service Funds		
	Fleet Management	Risk Management	Total
<u>Assets</u>			
Current assets			
Accounts receivable (net)	\$ 3,050	-	3,050
Due from other funds	-	29,443	29,443
Prepaid items	-	25,250	25,250
Total current assets	<u>3,050</u>	<u>54,693</u>	<u>57,743</u>
Noncurrent assets			
Land, equipment, buildings and improvements	3,264,369	-	3,264,369
Less: accumulated depreciation	(2,086,802)	-	(2,086,802)
Total noncurrent assets	<u>1,177,567</u>	<u>-</u>	<u>1,177,567</u>
Total assets	<u>\$ 1,180,617</u>	<u>54,693</u>	<u>1,235,310</u>
<u>Liabilities and Net Position</u>			
Current liabilities			
Accounts payable and accrued liabilities	\$ 7,949	-	7,949
Due to other funds	212,594	-	212,594
Total current liabilities	<u>220,543</u>	<u>-</u>	<u>220,543</u>
Total liabilities	<u>220,543</u>	<u>-</u>	<u>220,543</u>
Net position			
Net investment in capital assets	1,177,567	-	1,177,567
Unrestricted	(217,493)	54,693	(162,800)
Total net position	<u>960,074</u>	<u>54,693</u>	<u>1,014,767</u>
Total liabilities and net position	<u>\$ 1,180,617</u>	<u>54,693</u>	<u>1,235,310</u>

Clearfield City Corporation
Combining Statement of Revenues, Expenses, and Changes in
Net Position - Internal Service Funds
For the Year Ended June 30, 2014

	Internal Service Funds		
	Fleet Management	Risk Management	Total
<u>Operating Revenues</u>			
Charges for services	\$ 788,322	296,275	1,084,597
Miscellaneous	12,400	4,143	16,543
Total operating revenues	<u>800,722</u>	<u>300,418</u>	<u>1,101,140</u>
<u>Operating Expenses</u>			
Salaries and wages	154,413	-	154,413
Maintenance supplies and contracts	418,169	254,508	672,677
Depreciation and amortization	229,223	-	229,223
Total operating expenses	<u>801,805</u>	<u>254,508</u>	<u>1,056,313</u>
Net operating income	<u>(1,083)</u>	<u>45,910</u>	<u>44,827</u>
<u>Nonoperating Revenues (Expenses)</u>			
Gain/(loss) on disposal of capital assets	63,219	-	63,219
Total nonoperating revenues (expenses)	<u>63,219</u>	<u>-</u>	<u>63,219</u>
Change in net position	62,136	45,910	108,046
Total net position - beginning	<u>897,938</u>	<u>8,783</u>	<u>906,721</u>
Total net position - ending	<u>\$ 960,074</u>	<u>54,693</u>	<u>1,014,767</u>

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

Clearfield City Corporation
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2014

	Internal Service Funds		
	Fleet Management	Risk Management	Total
<u>Cash flows from operating activities</u>			
Receipts from customers	\$ 802,353	300,418	1,102,771
Payments to suppliers	(438,636)	(77,330)	(515,966)
Payments to employees	(154,413)	-	(154,413)
Net cash provided (used) by operating activities	<u>209,304</u>	<u>223,088</u>	<u>432,392</u>
<u>Cash flows from noncapital financing activities</u>			
Advances (to) from other funds	(1,159)	(223,088)	(224,247)
Net cash provided (used) by noncapital financing activities	<u>(1,159)</u>	<u>(223,088)</u>	<u>(224,247)</u>
<u>Cash flows from capital and related financing activities</u>			
Purchases of capital assets	(246,308)	-	(246,308)
Proceeds from sale of capital assets	38,163	-	38,163
Net cash provided (used) by capital and related financing activities	<u>(208,145)</u>	<u>-</u>	<u>(208,145)</u>
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents - beginning	-	-	-
Cash and cash equivalents - ending	<u>\$ -</u>	<u>-</u>	<u>-</u>
<u>Reconciliation of operating income to net cash provided (used) by operating activities:</u>			
Operating income (loss)	\$ (1,083)	45,910	44,827
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation and amortization expense	229,223	-	229,223
(Increase)/decrease in accounts receivable	1,631	-	1,631
(Increase)/decrease in prepaid items	-	178,153	178,153
Increase /(decrease) in accounts payable	(20,467)	(975)	(21,442)
Total adjustments	<u>210,387</u>	<u>177,178</u>	<u>387,565</u>
Net cash provided (used) by operating activities	<u>\$ 209,304</u>	<u>223,088</u>	<u>432,392</u>

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

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

Clearfield City Corporation
Schedule of General Capital Assets - By Source
June 30, 2014

	Totals <u>June 30, 2014</u>
<u>General Capital Assets</u>	
Land	\$ 4,943,221
Water rights	25,200
Buildings	25,100,511
Improvements	1,952,707
Machinery and equipment	7,257,998
Infrastructure	33,834,833
Construction in progress	<u>595,212</u>
Total general capital assets	<u><u>73,709,682</u></u>
<u>Investment in General Capital Assets by Source</u>	
General fund	20,772,289
Capital projects funds	48,721,681
Grants	<u>4,215,712</u>
Total investment in general capital assets	<u><u>\$ 73,709,682</u></u>

Clearfield City Corporation
Schedule of General Capital Assets - By Function and Activity
June 30, 2014

Function and activity	<u>Land</u>	<u>Water Rights</u>	<u>Buildings</u>	<u>Improvements</u>	<u>Machinery and Equipment</u>	<u>Infra-structure</u>	<u>Construction In Progress</u>	<u>Totals</u>
General government								
Executive	\$ -	-	11,969,989	-	127,436	-	-	12,097,425
Justice court	-	-	-	1,988	31,335	-	-	33,323
Information technology	-	-	-	-	1,735,882	-	-	1,735,882
Finance and administration	-	-	-	2,460	74,709	-	-	77,169
Building	-	-	-	201,292	187,419	-	-	388,711
Other	2,439,736	25,200	-	-	-	-	-	2,464,936
Total general government	<u>2,439,736</u>	<u>25,200</u>	<u>11,969,989</u>	<u>205,740</u>	<u>2,156,781</u>	<u>-</u>	<u>-</u>	<u>16,797,446</u>
Community development								
Administration	-	-	-	631	45,016	-	-	45,647
Public safety								
Police	-	-	-	-	563,841	-	9,822	573,663
Dispatch	-	-	-	45,942	248,998	-	-	294,940
Total public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,942</u>	<u>812,839</u>	<u>-</u>	<u>9,822</u>	<u>868,603</u>
Highways and public improvements								
Shops	-	-	74,895	-	159,285	-	-	234,180
Streets	-	-	-	229,158	93,873	33,309,348	362,152	33,994,531
Total highways and public improvements	<u>-</u>	<u>-</u>	<u>74,895</u>	<u>229,158</u>	<u>253,158</u>	<u>33,309,348</u>	<u>362,152</u>	<u>34,228,711</u>
Community services								
Parks	2,503,485	-	818,510	1,471,236	437,019	525,485	147,536	5,903,271
Aquatic center	-	-	12,237,117	-	211,750	-	63,312	12,512,179
Recreation	-	-	-	-	77,066	-	12,390	89,456
Total community services	<u>2,503,485</u>	<u>-</u>	<u>13,055,627</u>	<u>1,471,236</u>	<u>725,835</u>	<u>525,485</u>	<u>223,238</u>	<u>18,504,906</u>
Internal service fund - fleet	-	-	-	-	3,264,369	-	-	3,264,369
Total general capital assets	<u>\$ 4,943,221</u>	<u>25,200</u>	<u>25,100,511</u>	<u>1,952,707</u>	<u>7,257,998</u>	<u>33,834,833</u>	<u>595,212</u>	<u>73,709,682</u>

Clearfield City Corporation
Schedule of Changes in General Capital Assets - By Function and Activity
June 30, 2014

Function and Activity	General Capital Assets June 30, 2013	Additions	Deletions	General Capital Assets June 30, 2014
General government				
Executive	\$ 12,074,425	23,000	-	12,097,425
Justice court	33,323	-	-	33,323
Information technology	1,279,927	475,611	19,656	1,735,882
Finance and administration	78,258	-	1,089	77,169
Buildings	314,977	73,734	-	388,711
Other	2,464,936	-	-	2,464,936
Total general government	<u>16,245,846</u>	<u>572,345</u>	<u>20,745</u>	<u>16,797,446</u>
Community development				
Administration	47,382	-	1,735	45,647
Public safety				
Police	946,376	74,463	447,176	573,663
Dispatch	294,940	-	-	294,940
Total public safety	<u>1,241,316</u>	<u>74,463</u>	<u>447,176</u>	<u>868,603</u>
Highways and public improvements				
Maintenance	8,001	-	8,001	-
Shops	246,056	-	11,876	234,180
Streets	33,597,008	761,644	364,121	33,994,531
Total highways and public improvements	<u>33,851,065</u>	<u>761,644</u>	<u>383,998</u>	<u>34,228,711</u>
Community services				
Parks	5,947,725	50,930	95,384	5,903,271
Aquatic center	12,443,934	68,787	542	12,512,179
Maintenance	931	-	931	-
Recreation	87,743	2,366	653	89,456
Total community service	<u>18,480,333</u>	<u>122,083</u>	<u>97,510</u>	<u>18,504,906</u>
Internal service fund - fleet	3,178,134	321,683	235,448	3,264,369
Total general capital assets	<u>\$ 73,044,076</u>	<u>1,852,218</u>	<u>1,186,612</u>	<u>73,709,682</u>

STATISTICAL SECTION

Clearfield City Corporation
Statistical Section
June 30, 2014

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.

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

	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 9,878,324	9,796,336	9,792,559	11,226,398	11,229,615	10,684,837	12,506,584	13,775,641	12,312,930	13,743,040
Restricted	573,713	4,510,594	5,406,581	2,368,930	3,157,193	5,199,538	4,958,333	3,015,238	3,693,214	3,151,603
Unrestricted	5,496,229	3,348,510	1,651,639	2,146,117	1,952,266	896,019	1,730,456	5,697,952	7,698,069	9,997,648
Total governmental activities net position	15,948,266	17,655,440	16,850,779	15,741,445	16,339,074	16,780,394	19,195,373	22,488,831	23,704,213	26,892,291
Business-type activities										
Net investment in capital assets	8,323,285	8,685,553	37,957,402	40,872,119	40,459,590	39,209,218	38,596,646	42,536,944	43,787,842	43,854,192
Restricted	98,497	113,208	3,386,643	5,728,025	5,236,082	3,078,859	2,616,983	1,712,629	1,982,181	1,856,320
Unrestricted	7,418,015	6,935,467	8,034,733	5,980,543	6,912,041	10,169,423	10,980,894	11,349,674	11,866,408	10,970,432
Total business-type activities net position	15,839,797	15,734,228	49,378,778	52,580,687	52,607,713	52,457,500	52,194,523	55,599,247	57,636,431	56,680,944
Primary government										
Net investment in capital assets	18,201,609	18,481,889	47,749,961	52,098,517	51,689,205	49,894,055	51,103,230	56,312,585	56,100,772	57,597,232
Restricted	672,210	4,623,802	8,793,224	8,096,955	8,393,275	8,278,397	7,575,316	4,727,867	5,675,395	5,007,923
Unrestricted	12,914,244	10,283,977	9,686,372	8,126,660	8,864,307	11,065,442	12,711,350	17,047,626	19,564,477	20,968,080
Total primary government net position	\$ 31,788,063	33,389,668	66,229,557	68,322,132	68,946,787	69,237,894	71,389,896	78,088,078	81,340,644	83,573,235

Clearfield City Corporation

Table 2 - Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 4,099,536	4,989,256	4,682,965	4,720,553	4,665,323	4,944,458	4,363,191	3,771,942	4,408,533	4,419,080
Public safety	4,788,486	4,707,841	3,440,153	3,646,990	3,640,464	3,789,561	4,038,550	3,893,612	4,298,248	4,258,275
Highways and public improvements	829,769	1,013,820	1,588,695	1,353,026	4,004,225	1,363,122	1,204,022	1,407,454	579,064	583,792
Debt service	414,182	-	-	-	-	-	-	-	-	-
Community services	1,801,677	2,542,861	2,926,392	3,201,188	3,362,671	3,381,382	3,518,420	3,883,509	3,755,723	4,196,122
Community development	614,422	340,805	764,399	769,853	843,600	782,623	1,018,528	514,315	534,675	460,111
Capital outlay	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	1,346,825	1,335,936	1,769,555	1,043,794	1,216,615	1,083,758	1,066,514	974,740	912,002	828,074
Total governmental activities	13,894,897	14,930,519	15,172,159	14,735,404	17,732,898	15,344,904	15,209,225	14,445,572	14,488,245	14,745,454
Business-type activities:										
Administration	-	-	138,879	265,041	288,567	258,512	280,137	255,994	249,164	258,759
Water utility	1,906,579	1,811,303	2,659,152	3,047,802	3,203,892	3,022,477	3,270,047	3,369,811	3,079,128	3,325,788
Sewer utility	1,500,568	1,478,375	1,885,883	1,953,459	1,982,423	2,229,146	2,429,889	2,404,677	2,366,004	3,034,977
Waste collection	1,144,860	1,081,481	981,352	1,010,683	994,856	1,068,563	1,056,648	1,096,444	1,047,633	1,083,652
Storm drain	174,667	242,043	788,642	757,544	774,457	810,427	917,836	900,220	865,544	980,594
Ambulance service	512,011	-	-	-	-	-	-	-	-	-
Total business-type activities	5,238,685	4,613,202	6,453,908	7,034,529	7,244,195	7,389,125	7,954,557	8,027,146	7,607,473	8,683,770
Total primary government	\$ 19,133,582	19,543,721	21,626,067	21,769,933	24,977,093	22,734,029	23,163,782	22,472,718	22,095,718	23,429,224

Clearfield City Corporation

Table 2 - Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 1,385,575	1,076,566	1,290,713	1,424,031	1,682,490	1,506,417	1,533,299	1,521,045	1,293,996	1,185,291
Public safety	1,470,906	1,661,720	1,574,291	1,526,867	1,509,713	1,432,264	1,297,907	1,349,386	1,282,823	1,219,731
Highways and public improvements	523,148	479,263	-	45,209	44,282	41,797	17,060	22,178	32,414	61,254
Community services	585,698	1,373,500	1,703,051	1,716,925	1,748,047	1,723,027	1,852,665	1,788,547	1,690,649	1,758,678
Community development	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	1,439,909	1,062,939	1,736,182	1,011,690	1,016,117	966,684	887,377	924,175	883,706	899,337
Capital grants and contributions	-	-	-	-	617,100	268,198	1,259,993	293,872	345,019	304,303
Total governmental activities	<u>5,405,236</u>	<u>5,653,988</u>	<u>6,304,237</u>	<u>5,724,722</u>	<u>6,617,749</u>	<u>5,938,387</u>	<u>6,848,301</u>	<u>5,899,203</u>	<u>5,528,607</u>	<u>5,428,594</u>
Business-type activities:										
Charges for services										
Administration	-	-	84,146	116,991	119,159	140,935	145,197	156,956	156,063	149,946
Water utility	2,471,975	2,607,700	2,743,116	2,889,292	2,941,440	2,869,716	3,047,459	3,297,870	3,456,368	3,459,034
Sewer utility	1,839,477	1,891,575	1,888,952	1,881,440	1,934,614	2,101,417	2,156,850	2,267,037	2,493,762	2,757,461
Waste collection	1,440,182	1,428,771	1,296,784	1,189,402	1,208,019	1,215,655	1,216,840	1,223,850	1,230,271	1,239,842
Storm drain	451,020	449,679	509,834	584,695	758,345	779,766	800,316	830,130	863,469	894,103
Ambulance service	492,820	-	-	-	-	-	-	-	-	-
Impact fees	-	-	-	205,459	362,931	473,965	177,061	266,464	288,422	280,838
Capital grants and contributions	-	-	-	-	-	-	-	290,000	1,461,653	-
Total business-type activities	<u>6,695,474</u>	<u>6,377,725</u>	<u>6,522,832</u>	<u>6,867,279</u>	<u>7,324,508</u>	<u>7,581,454</u>	<u>7,543,723</u>	<u>8,332,307</u>	<u>9,950,008</u>	<u>8,781,224</u>
Total primary government	<u>12,100,710</u>	<u>12,031,713</u>	<u>12,827,069</u>	<u>12,592,001</u>	<u>13,942,257</u>	<u>13,519,841</u>	<u>14,392,024</u>	<u>14,231,510</u>	<u>15,478,615</u>	<u>14,209,818</u>
Net (expense) / revenue										
Governmental activities	(8,489,661)	(9,276,531)	(8,867,922)	(9,010,682)	(11,115,149)	(9,406,517)	(8,360,924)	(8,546,369)	(8,959,638)	(9,316,860)
Business-type activities	1,456,789	1,764,523	68,924	(167,250)	80,313	192,329	(410,834)	305,161	2,342,535	97,454
Total primary government	<u>\$ (7,032,872)</u>	<u>(7,512,008)</u>	<u>(8,798,998)</u>	<u>(9,177,932)</u>	<u>(11,034,836)</u>	<u>(9,214,188)</u>	<u>(8,771,758)</u>	<u>(8,241,208)</u>	<u>(6,617,103)</u>	<u>(9,219,406)</u>

Clearfield City Corporation

Table 2 - Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 4,489,184	3,326,539	2,778,450	3,454,703	3,760,325	3,582,694	3,549,977	4,976,559	5,249,766	5,200,014
General sales and use tax	2,745,620	3,080,936	3,612,893	3,610,112	3,225,351	2,922,375	3,128,336	3,404,944	3,511,629	3,648,705
Franchise tax	891,121	898,676	946,761	910,973	903,058	879,213	833,116	896,961	892,791	888,626
Energy use tax	1,752,874	2,001,987	1,841,854	1,981,196	1,958,311	1,965,037	2,155,374	2,160,778	2,273,564	2,361,797
Transient room tax	-	-	-	-	-	8,231	5,927	6,565	5,380	7,139
Interest earnings	307,660	308,299	363,275	386,571	130,172	54,125	51,381	62,548	77,621	99,266
Miscellaneous	(149)	(298,386)	(38,793)	6,100	5,950	5,450	10,950	11,100	12,300	(67,631)
Proceeds from settlement	-	-	-	-	1,350,000	-	775,000	240,000	-	-
Transfers	(155,172)	1,665,654	180,104	(2,818,360)	379,611	430,712	506,530	80,372	439,081	559,827
Contribution of capital asset	-	-	-	-	-	-	(240,688)	-	-	-
Total governmental activities	10,031,138	10,983,705	9,684,544	7,531,295	11,712,778	9,847,837	10,775,903	11,839,827	12,462,132	12,697,743
Business-type activities:										
Interest earnings	176,429	315,367	443,179	556,539	296,874	86,970	60,988	80,165	84,951	41,848
Miscellaneous	12,008	(519,806)	28,754	(5,740)	29,452	1,200	352,711	8,080	48,779	880
Transfers	155,172	(1,665,654)	(180,104)	2,818,360	(379,611)	(430,712)	(506,530)	(80,372)	(439,081)	(559,827)
Contribution of capital asset	-	-	-	-	-	-	240,688	3,091,690	-	-
Total business-type activities	343,609	(1,870,093)	291,829	3,369,159	(53,285)	(342,542)	147,857	3,099,563	(305,351)	(517,099)
Total primary government	\$ 10,374,747	9,113,612	9,976,373	10,900,454	11,659,493	9,505,295	10,923,760	14,939,390	12,156,781	12,180,644
Change in Net Position										
Governmental activities	\$ 1,541,477	1,707,174	816,622	(1,479,387)	597,629	441,320	2,414,979	3,293,458	3,502,494	3,380,883
Business-type activities	1,800,398	(105,570)	360,753	3,201,909	27,028	(150,213)	(262,977)	3,404,724	2,037,184	(419,645)
Total primary government	\$ 3,341,875	1,601,604	1,177,375	1,722,522	624,657	291,107	2,152,002	6,698,182	5,539,678	2,961,238

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
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
2013	1,424,107	3,098,449	727,210	3,511,629	2,273,564	892,791	11,927,750
2014	1,364,045	3,042,856	793,113	3,648,705	2,361,797	888,626	12,099,142

(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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Nonspendable	\$ 759	18,755	313,874	51,611	80,885	287,123	47,220	61,907	80,285	150,117
Restricted	-	-	370,053	1,310,699	1,297,551	1,531,770	1,658,586	1,574,563	1,490,318	1,428,739
Committed	-	-	-	-	-	899,687	595,334	514,529	1,232,272	1,340,742
Assigned	-	-	-	-	-	40,787	36,795	56,779	98,408	-
Unassigned	1,933,088	1,656,701	1,592,608	2,450,054	2,931,551	1,572,607	2,309,607	4,172,083	3,798,077	3,802,746
Total general fund	1,933,847	1,675,456	2,276,535	3,812,364	4,309,987	4,331,974	4,647,542	6,379,861	6,699,360	6,722,344
All other governmental funds										
Nonspendable	573,712	563,295	563,294	1,167,271	1,167,271	708,964	708,964	709,004	1,208,964	1,134,148
Restricted for:										
Debt service funds	15,613	52,315	399,947	402,925	393,285	386,768	385,647	140,597	-	89,858
Capital projects funds	19,408	4,339,129	4,310,460	517,507	152,409	957,080	892,086	355,876	85,606	152,532
Special revenue funds	-	-	-	-	-	-	-	-	654,750	-
Cemetery perpetual care	107,994	119,141	132,871	110,839	116,889	153,104	138,922	173,291	173,291	196,209
Committed	-	-	-	-	-	275,042	531,574	406,011	454,059	835,201
Assigned, reported in:										
Capital projects funds	5,299,746	1,412,262	1,414,219	819,219	918,798	146,036	181,775	156,645	1,178,595	489,406
Special revenue funds	129,073	-	3,390	-	-	-	-	1,263,136	1,799,424	4,512,051
Debt service funds	-	-	-	801	801	-	-	-	-	-
Cemetery perpetual care	-	-	-	26,960	29,788	-	-	-	-	-
Unassigned, reported in:										
Capital projects funds	-	-	-	-	-	-	-	-	-	(36,342)
Special revenue funds	-	(83,019)	-	(510,919)	(189,697)	-	-	-	-	-
Total all other governmental funds	\$ 6,145,546	6,403,123	6,824,181	2,534,603	2,589,544	2,626,994	2,838,968	3,204,560	5,554,689	7,373,063
General fund balance unrestricted										
% of total revenue for current year	15.03%	11.94%	11.47%	17.79%	21.77%	19.08%	21.04%	32.78%	37.80%	37.70%

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>Revenues</u>										
Taxes	\$ 9,754,063	10,507,143	9,179,958	9,956,984	9,847,045	9,357,550	9,672,730	11,445,807	11,933,130	12,106,281
Rents and other services	819,835	577,727	873,375	994,127	1,276,766	1,080,221	1,154,622	1,148,197	890,085	799,995
Intergovernmental	1,445,209	1,068,789	1,741,082	1,017,790	1,022,067	1,240,332	2,158,320	1,229,147	1,241,025	1,210,825
Charges for services	1,448,606	2,332,049	2,661,630	2,652,473	2,648,675	2,626,047	2,688,744	2,651,439	2,557,761	2,626,777
Impact fees	523,148	479,263	293,689	45,209	44,282	41,797	17,060	22,178	32,414	61,254
Fines and forfeitures	1,035,736	1,140,610	1,092,308	1,042,473	1,009,685	940,385	824,050	836,329	777,396	700,060
Interest	287,303	287,942	379,029	366,925	110,526	30,725	27,981	49,530	54,221	75,866
Miscellaneous revenue	138,002	61,400	24,964	7,244	10,116	14,104	14,100	19,849	23,437	20,325
Total revenues	<u>15,451,902</u>	<u>16,454,923</u>	<u>16,246,035</u>	<u>16,083,225</u>	<u>15,969,162</u>	<u>15,331,161</u>	<u>16,557,607</u>	<u>17,402,476</u>	<u>17,509,469</u>	<u>17,601,383</u>
<u>Expenditures</u>										
Current										
General government	3,714,464	4,436,855	4,117,561	3,757,775	4,042,501	4,416,391	4,468,769	3,791,141	4,066,466	3,865,151
Public safety	4,719,416	4,724,461	3,312,474	3,616,083	3,660,749	3,932,189	4,212,321	3,894,202	4,223,155	4,182,267
Highways and public improv.	924,292	961,903	961,374	683,016	799,811	1,022,875	433,557	535,484	435,336	419,032
Community services	1,788,078	2,372,712	2,558,125	2,877,875	3,005,011	2,964,755	3,157,436	3,418,717	3,435,059	3,735,613
Community development	614,422	340,805	764,399	769,853	843,600	782,623	1,018,528	514,315	534,675	534,927
Capital outlay	7,191,765	2,560,647	1,383,757	2,921,062	2,132,164	2,151,643	452,680	1,140,023	426,296	1,018,145
Debt service										
Principal retirement	1,647,009	1,629,104	1,413,854	1,440,866	1,442,039	1,677,281	2,513,348	1,757,000	1,618,000	1,680,000
Interest and fiscal charges	1,496,126	1,252,059	1,691,335	1,241,303	1,219,625	1,071,084	1,057,949	978,676	914,058	853,556
Cost of issuance	72,858	-	192,554	32,500	-	99,910	-	-	-	-
Total expenditures	<u>22,168,430</u>	<u>18,278,546</u>	<u>16,395,433</u>	<u>17,340,333</u>	<u>17,145,500</u>	<u>18,118,751</u>	<u>17,314,588</u>	<u>16,029,558</u>	<u>15,653,045</u>	<u>16,288,691</u>
Excess (deficiency) revenues over (under) expenditures	<u>\$ (6,716,528)</u>	<u>(1,823,623)</u>	<u>\$ (149,398)</u>	<u>(1,257,108)</u>	<u>(1,176,338)</u>	<u>(2,787,590)</u>	<u>(756,981)</u>	<u>1,372,918</u>	<u>1,856,424</u>	<u>1,312,692</u>

Clearfield City Corporation

Table 5 - Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing Sources (Uses)										
Issuance of bonds payable	\$ -	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	286,622	-	(24,056)	-	-	33,794	-	-	-	-
Issuance of capital lease	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	5,310	7,155	5,098	21,710	-	172,521	2,626	404,621	8,057	(31,161)
Proceeds from settlement	-	-	-	-	1,350,000	-	775,000	240,000	-	-
Transfers in	3,056,039	4,010,224	3,291,372	3,580,388	1,723,293	2,138,659	1,886,154	1,707,868	2,824,234	2,648,906
Transfers (out)	(3,211,210)	(2,344,570)	(3,111,268)	(6,398,748)	(1,344,390)	(1,707,947)	(1,379,257)	(1,627,496)	(2,385,153)	(2,089,079)
Total other financing sources	<u>171,619</u>	<u>1,822,809</u>	<u>1,041,146</u>	<u>(1,496,650)</u>	<u>1,728,903</u>	<u>2,847,027</u>	<u>1,284,523</u>	<u>724,993</u>	<u>447,138</u>	<u>528,666</u>
Net change in fund balances	(6,544,909)	(814)	891,748	(2,753,758)	552,565	59,437	527,542	2,097,911	2,303,562	1,841,358
Fund balances - beginning of year	14,624,302	8,079,393	8,208,976	9,100,724	6,346,966	6,899,531	6,958,968	7,486,510	9,950,487	12,254,049
Fund balances - end of year	<u>\$ 8,079,393</u>	<u>8,078,579</u>	<u>9,100,724</u>	<u>6,346,966</u>	<u>6,899,531</u>	<u>6,958,968</u>	<u>7,486,510</u>	<u>9,584,421</u>	<u>12,254,049</u>	<u>14,095,407</u>
Debt service as a percentage of noncapital expenditures	22.17%	18.83%	20.97%	18.62%	15.90%	17.60%	22.42%	18.63%	16.90%	16.40%

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
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
2013	1,424,107	3,098,449	727,210	3,511,629	2,273,564	892,791	11,927,750
2014	1,364,045	3,042,856	793,113	3,648,705	2,361,797	888,626	12,099,142

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

Last Ten Fiscal Years

Fiscal Year	Real Property			Taxable Value (in thousands)	Total Direct Tax Rate	Estimated Actual Value (in thousands)	Ratio of Taxable to Estimated Actual Value
	Residential Property (in thousands)	Commercial Property (in thousands)	Personal Property (in thousands)				
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%
2012-13	530,775	493,899	267,077	1,291,751	0.001800	1,719,166	75.1%
2013-14	539,807	518,593	283,013	1,341,413	0.001800	1,776,035	75.5%

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

Clearfield City Corporation

Table 8 - Property Tax Rates - Direct and Overlapping Governments

Last Ten Fiscal Years

Fiscal Year	Overlapping Rates										
	Clearfield City			Davis County School			Davis County			Total	
	Operating Rates	Debt Service Rates	Total City Rates	Operating Rates	Debt Service Rates	Total County School Rates	Operating Rates	Debt Service Rates	Total County Rates	Total Special Districts	Levy for Clearfield City
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%
2013	0.1100%	0.0700%	0.1800%	0.6139%	0.2571%	0.8710%	0.1935%	0.0126%	0.2061%	0.3441%	1.6012%
2014	0%	0.0772%	0.1800%	0.5958%	0.2571%	0.8529%	0.1987%	0.0174%	0.2161%	0.4618%	1.7108%

Source: Davis County Auditor's Office

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

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

Taxpayer	2014			2005		
	Taxable Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Value	Rank	Percentage of Total Taxable Assessed Value
Freeport Center Associates	\$ 189,443,140	1.00	13.57%	115,752,259	1	11.66%
ATK Aerospace	113,681,186	2	8.14%	19,657,047	4	1.98%
Lifetime Products	40,378,662	3	2.89%	46,893,503	2	4.72%
Worthington Foods, Inc.	29,776,724	4	2.13%			
Pacific Corp	27,125,509	5	1.94%			
Union Pacific Railroad	22,035,931	6	1.58%			
Belleau, Wayne	18,689,260	7	1.34%			
Utility Trailer	17,853,999	8	1.28%			
K & M Two	16,649,474	9	1.19%	14,698,377	8	1.48%
Art Mortgage Borrower PROP-CO	14,310,600	10	1.03%			
Qwest Communications				21,777,236	3	2.19%
Boyer TRW				16,595,645	5	1.67%
Honeywell International				16,112,966	6	1.62%
Security Capital Industrial				15,735,700	7	1.59%
Gardenburger				11,874,648	9	1.20%
Americold Real Estate LP				10,410,327	10	1.05%
	<u>\$ 489,944,485</u>			<u>\$ 289,507,708</u>		

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

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

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
		Amount	Percent of Levy		Amount	Percent of Levy
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%	133,512	1,700,798	100.00%
2008-09	1,908,163	1,780,102	93.29%	128,061	1,908,163	100.00%
2009-10	1,885,303	1,748,134	92.72%	137,169	1,885,303	100.00%
2010-11	2,024,290	1,810,238	89.43%	207,577	2,017,815	99.68%
2011-12	2,170,606	1,995,065	91.91%	166,924	2,161,989	99.60%
2012-13	2,026,140	1,793,649	88.53%	208,615	2,002,264	98.82%
2013-14	2,176,638	1,972,289	90.61%	171,433	2,143,722	98.49%

Source: Davis County Auditor's Office

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

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds	Capital Leases			
2004-05	\$ 12,691,622	17,078,871	559,443	229,743	-	55,347	\$ 30,615,026	0.39%	\$ 1,113.27
2005-06	12,000,794	16,231,138	670,132	148,261	-	-	29,050,325	0.34%	1,045.92
2006-07	11,407,880	16,378,102	603,499	63,789	3,354,270	-	31,807,540	0.33%	1,131.94
2007-08	10,789,966	16,948,462	534,072	21,596	3,147,247	-	31,441,343	0.31%	1,114.94
2008-09	10,147,052	16,184,822	461,629	-	2,940,224	-	29,733,727	0.30%	1,047.85
2009-10	9,469,138	17,128,221	234,348	-	2,723,201	-	29,554,908	0.28%	1,019.06
2010-11	8,766,224	15,499,826	30,000	-	2,496,178	-	26,792,228	0.26%	889.75
2011-12	8,038,310	14,478,431	-	-	2,259,155	-	24,775,896	0.24%	822.79
2012-13	7,285,396	13,591,036	-	-	2,012,132	-	22,888,564	0.22%	760.11
2013-14	6,497,482	12,676,644	-	-	1,755,109	-	20,929,235	0.20%	689.01

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

Clearfield City Corporation

**Table 12 - Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	Estimated Population	Actual Taxable Value of Property (in thousands)	Gross Obligation Bonds	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2005	27,500	\$ 1,005,545	\$ 12,673,709	\$ 15,613	\$ 12,658,096	1.26%	\$ 460.29
2006	27,775	1,012,868	12,000,795	52,315	11,948,480	1.18%	430.19
2007	28,100	1,046,641	11,407,881	801	11,407,080	1.09%	405.95
2008	28,200	1,140,971	10,789,967	821,238	9,968,729	0.87%	353.50
2009	28,376	1,312,931	10,147,053	1,176,443	8,970,610	0.68%	316.13
2010	29,002	1,289,841	9,469,139	1,276,996	8,192,143	0.64%	282.47
2011	30,112	1,369,352	8,766,225	1,380,978	7,385,247	0.54%	245.26
2012	30,112	1,318,103	8,038,310	1,150,811	6,887,499	0.52%	228.73
2013	30,112	1,291,751	7,285,396	1,017,826	6,267,570	0.49%	208.14
2014	30,376	1,341,413	6,497,481	1,124,461	5,373,020	0.40%	176.88

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

Clearfield City Corporation

Table 13 - Direct and Overlapping Governmental Activities Debt

<u>Name of Governmental Unit</u>	2014 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	\$ 196,999,051,171	1,404,989,776	0.71%	\$ 3,136,755,000	\$ 22,371,218
Davis County School District	16,462,557,306	1,404,989,776	8.53%	409,130,000	34,917,021
Davis County	16,462,557,306	1,404,989,776	8.53%	-	-
Weber Basin Water Conservancy District	42,461,125,033	1,404,989,776	3.31%	23,888,492	790,443
North Davis County Sewer District	8,450,483,258	1,404,989,776	16.63%	37,852,000	<u>6,293,329</u>
Total overlapping debt					64,372,011
Clearfield City - direct	1,404,989,776	1,404,989,776	100.00%	19,174,126	<u>19,174,126</u>
Total direct and overlapping					<u><u>\$ 83,546,137</u></u>

1) Source: Davis County Auditor's Office

Includes general bonded debt only.

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

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

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

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$55,514,397	56,808,200	43,310,887	45,638,800	40,446,240	40,117,640	44,438,200	52,724,120	51,670,040	53,656,520
Total net debt applicable to limit	<u>12,405,000</u>	<u>11,750,000</u>	<u>11,175,000</u>	<u>10,575,000</u>	<u>9,950,000</u>	<u>9,290,000</u>	<u>8,605,000</u>	<u>7,895,000</u>	<u>7,160,000</u>	<u>6,390,000</u>
Legal debt margin	<u>\$43,109,397</u>	<u>45,058,200</u>	<u>32,135,887</u>	<u>35,063,800</u>	<u>30,496,240</u>	<u>30,827,640</u>	<u>35,833,200</u>	<u>44,829,120</u>	<u>44,510,040</u>	<u>47,266,520</u>
Total net debt applicable to the limit as a percentage of debt limit	22.35%	20.68%	25.80%	23.17%	24.60%	23.16%	19.36%	14.97%	13.86%	11.91%

Legal Debt Margin Calculation for Fiscal Year 2014

Total Assessed Actual Value	<u>\$ 1,341,413,000</u>
Debt limit - 4% of total actual value	53,656,520
Total amount of debt applicable to debt limit	<u>(6,390,000)</u>
Legal debt margin	<u>\$ 47,266,520</u>

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 4% of total assessed property value.

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

Water Revenue Bonds

Fiscal Year	Water Utility Revenue	Operating Transfers	Expenses Net of Interest	Net Revenue Available For Debt Service	Principal	Interest	Total	Coverage
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	n/a
2009	3,325,823	(300,297)	3,029,365	(3,839)	1,680,000	-	1,680,000	(0.00)
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
2013	3,628,948	(263,711)	2,962,738	402,499	245,000	88,167	333,167	1.21
2014	3,605,224	(356,677)	3,200,814	47,733	255,000	78,300	333,300	0.14

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 (%)
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
2013	30,112	10,409,081	33,817	25.8	5,605	7.7
2014	30,376	10,409,081	35,719	25.8	5,725	7.0

Data Sources:

Population: Davis County Department of Community & Economic Development

Personal Income: US Bureau of Economic Analysis

Per Capital Personal Income: US Bureau of Economic Analysis

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

School Enrollment: Davis County School District

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

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

Clearfield City Corporation

Table 17 - Principal Employers

Current Year and Nine Years Ago

Employer	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Department of Defense	23,000	1	63.50%	Unavailable		
Lifetime Products	1,750	2	0.06%	Unavailable		
ATK Thiokol	1,300	3	0.05%	Unavailable		
Alliant	950	4	0.04%	Unavailable		
Lofthouse Bakery Products, Inc.	920	5	0.03%	Unavailable		
IES, LLC	800	6	0.02%	Unavailable		
Arrowpoint Solutions, Inc.	450	7	0.02%	Unavailable		
Futura Industries	420	8	0.02%	Unavailable		
Northrup Grumman	350	9	0.02%	Unavailable		
Management & Training Corp	250	10	0.02%	Unavailable		

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

Clearfield City Corporation

Table 18 - Full-time City Government Employees By Function

Last Ten Fiscal Years

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Judicial	2	3	3	3	3	3	4	4	4	4
Legal	2	2	1	2	2	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	2	2
Planning & Zoning	2	2	2	2	2	2	1	1	1	1
Human Resources	2	2	2	2	2	2	2	2	2	2
Information Technology	1	1	2	2	2	2	2	2	3	3
Public Safety										
Police Administration	8	8	7	7	7	7	7	7	7	7
Patrol & Investigations	28	26	24	28	28	29	28	28	28	28
Liquor	1	1	1	1	1	1	1	1	1	1
Dispatch/Emergency Services	9	9	9	9	9	9	9	8	8	8
Public Works										
Public Works Administration	2	2	2	3	3	3	3	2	2	2
Shops	3	3	4	4	4	4	4	3	2	2
Roadways	2	2	2	2	2	2	2	2	2	2
Inspection & Engineering	2	2	2	2	2	2	3	2	1	1
Community Services										
Administration	2	2	2	2	2	2	2	2	3	3
Parks	6	6	6	6	6	6	6	5	5	5
Recreation	2	2	2	2	2	2	2	2	3	3
Aquatic Center	7	7	7	7	6	7	10	7	7	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
Permitting									1	1
Enterprise Funds										
Utility Administration	6	6	3	3	4	4	5	3	3	3
Water	5	5	6	6	6	6	8	5	5	5
Sewer	3	3	3	3	3	4	3	3	3	3
Storm Sewer	1	1	1	1	1	1	1	1	1	1
Total Employees	109	108	103	110	110	113	118	105	107	107

Data source: Clearfield City Human Resource Department

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

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Incidents	15,647	10,297	17,764	17,223	16,832	15,609	16,876	17,654	17,015	14,925
Parking violations	68	261	462	560	560	525	1,015	725	634	-
Youth court cases	26	11	58	56	12	-	-	-	-	-
Traffic violations	7,977	9,049	8,068	8,311	10,042	10,026	4,389	9,255	7,700	9,233
Highways and streets										
Street resurfacing	-	1	-	-	-	27	4	3	3	3
Recreation										
Units of service	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	90,359	90,359
Public works										
Building permits issued	308	324	296	287	307	339	245	233	226	221
Water										
New connections	101	72	66	71	53	55	51	51	51	51
Water main breaks	57	70	103	80	-	7	-	-	-	-
Utility customers	6,304	6,366	6,508	6,571	6,573	6,564	6,578	7,025	6,705	6,886
Average daily consumption										
Commercial	1,020,446	1,099,320	1,156,340	1,219,471	2,660,085	1,224,436	1,345,822	1,490,129	1,481,288	1,665,795
Residential	2,213,047	2,646,052	3,114,816	3,281,000	3,233,000	2,835,066	2,982,874	3,260,901	3,497,022	3,491,011

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	1	-	-	-	-	-	-	-	-	-
Highways and streets										
Streets (miles)	76.5	77.1	77.3	77.2	78.2	78.2	78.2	78.23	78.23	78.23
Streetlights	758	758	1,171	1,171	1,176	1,180	1,182	1,183	1,183	1,183
Recreation										
Parks acreage	-	81.456	81.456	81.456	81.456	81.456	81.456	81.456	81.456	81.456
Parks	11	12	12	12	12	12	12	12	12	12
Soccer fields	2	3	3	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	1	1
Boweries	4	5	5	5	5	5	5	5	5	5
Softball/baseball diamonds	8	10	10	10	10	10	10	10	10	10
Community centers	1	1	2	2	2	2	1	1	1	1
Trails	-	-	1	1	1	2	2	2	2	2
Water										
Water mains (miles)	117.54	119.58	110.00	110.00	114.00	114.40	114.40	114.50	114.50	115.00
Fire hydrants	891	899	950	1,300	1,300	1,303	1,303	1,308	1,308	1,310
Sewer										
Sanitary sewers (miles)	82.00	82.00	72.33	72.33	73.00	73.00	73.00	73.25	73.25	73.25
Storm sewers (miles)	52.00	52.79	56.00	56.00	68.00	68.00	70.25	71.00	71.00	71.25

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

OTHER REPORTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clearfield City Corporation, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Clearfield City Corporation's basic financial statements and have issued our report thereon dated December 12, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of Clearfield City Corporation in a separate letter dated December 12, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ulrich & Associates, P.C.

Ogden, UT

December 12, 2014

INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE

WITH THE STATE COMPLIANCE AUDIT GUIDE ON:

- COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS
 - COMPLIANCE FOR EACH MAJOR STATE PROGRAM
 - INTERNAL CONTROL OVER COMPLIANCE
 - SCHEDULE OF EXPENDITURES OF STATE AWARDS

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

Report On Compliance with General State Compliance Requirements and for Each Major State Program

We have audited Clearfield City Corporation's compliance with the applicable general state and major state program compliance requirements described in the State Compliance Audit Guide, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the Clearfield City Corporation or each of its major state programs for the year ended June 30, 2014.

General state compliance requirements were tested for the year ended June 30, 2014 in the following areas:

Budgetary Compliance
Fund Balance
Justice Court
Utah Retirement
Systems
Transfers from Utility Enterprise
Funds
Cash Management
Conflicts of Interest
Nepotism
Utah Public Finance Website
Budget Notices and Format

Clearfield City Corporation received state funding from the following programs classified as major programs for the year ended June 30, 2014.

Class "C" Road Allotment (Department of Transportation)

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

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

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

Opinion on General State Compliance Requirements and Each Major State Program

In our opinion, Clearfield City Corporation, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Clearfield City Corporation or on each of its major state programs for the year ended June 30, 2014.

Other Matters

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

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

Report On Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of State Awards as Required by the *State Compliance Audit Guide*

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, 2014, and the related notes to the financial statements, which collectively comprise Clearfield City Corporation's basic financial statements. We issued our report thereon dated June 30, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *State Compliance Audit Guide* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 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 schedule of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.

Ulrich & Associates, P.C.

Ogden, Utah
December 12, 2014

Clearfield City Corporation
State Legal Compliance - Schedule of Findings
For the Year Ended June 30, 2014

Statement of Condition - 2014-1

Enterprise Fund Transfers, Reimbursements, Loans, and Services: A series of interfund loans, that took place between 1999 and 2008 between Community Development & Renewal Agency Fund (governmental) and the Water Utility Fund (enterprise). This interfund loan has no formal document for terms of the repayment.

Criteria

State Law requires that loans from a public utility enterprise fund have established terms including rates and repayment schedule.

Cause

Because no detailed formal agreement has been established as of year end, the City is not in compliance.

Effect

The City is not in compliance with utility enterprise funds requirements.

Recommendation

We recommend that management present loan terms to the city council for their approval.

Response

Staff was made aware of this error early in the audit process. Consequently, on November 25, 2014 the City Council approved Resolution 2014R-23 establishing terms for the loan from Clearfield City's Utility Administration Fund to the Clearfield Community Development and Renewal Agency.

Statement of Condition - 2014-2

Cash Management: The City did not timely remit the "Deposit and Investment Report" for the June 30, 2014 balances. Further, the City did not include cash balances relating to debt reserve requirements in the amount of \$140,372.

Criteria

State Law requires that the public treasurer file a written report at year end that contains information on the deposits and investments of the entity. This form is used by the Money Management Council to determine if the entity is in compliance with the Money Management Act.

Cause

Because of a change in treasurer responsibilities, the proper amounts were omitted and the report was not remitted timely.

Effect

The City is not in compliance with cash management requirements.

Recommendation

We recommend that the treasurer review and include all cash balances on the year end report and file the report timely.

Response

The required report was turned in on August 20, 2014 and administrative controls have been put into place to ensure that all future reports will be submitted in a timely manner with complete information.

Clearfield City Corporation
State Legal Compliance - Schedule of Findings
For the Year Ended June 30, 2014

Statement of Condition - 2014-3.1

Budgetary Compliance: The Park Fund exceeded budgeted total fund expenditures at year end.

Criteria

State Law requires that officers or employees of the entity do not incur expenditures or encumbrances in excess of the total appropriation for any fund.

Cause

The fund was overlooked during the amending process.

Effect

The City is not in compliance with budget requirements.

Recommendation

We recommend that the City review procedures to ensure complete budgets are available for approval by the council.

Response

We concur with the recommendation and will work to improve our amended budget process in the future.

Statement of Condition - 2014-3.2

Budgetary Compliance: Amounts reported to the City Council quarterly did not agree with amounts in the general ledger.

Criteria

State Law requires that management provide quarterly financial reports to the governing board in sufficient detail to provide information for the board to make decisions.

Cause

Budgeted amounts for transfers to and from funds were presented as actual amounts, but had not taken place as of the statement date.

Effect

The City is not in compliance with reporting requirements due to an error in the timing of journal entry for transfers. This resulted in one material number being incorrect at the time of presentation. All other information presented to the City Council was based on actual and reasonably estimated operating numbers.

Recommendation

We recommend that the City review procedures to ensure complete and accurate reports are available to the City Council.

Response

We agree that amounts reported for December 2013 for the General Fund included a transfer to the Capital Improvements Fund at the budget level not that actual amount. We do not believe the information as it was reported negatively affected the Council's decision-making nor did it result in budget issues.

Clearfield City Corporation
State Legal Compliance - Schedule of Findings
For the Year Ended June 30, 2014

Statement of Condition - 2014-4

Fund Balance: Unrestricted fund balance in the General Fund exceeds 25% of the total current year revenues by \$1,733,036.

Criteria

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

Cause

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

Effect

The City is not in compliance with fund balance requirements.

Recommendation

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

Response

The City plans on utilizing the funds to aid in the many infrastructure projects throughout the City. The City Council has appropriated \$1,340,742 of the excess during the original budget process. Management plans to present additional amounts to the City Council during an upcoming amended budget process.

Statement of Condition - 2014-5

Utah Public Finance Website: The City did not timely report required public financial information to the Utah Public Finance Website as required by state law.

Criteria

State Law (UCA 63A-3-402) requires the City to post revenue and expense information quarterly and within one month of the end of each quarter. Additionally, the law requires employee compensation summary information be posted within three months after the end of each fiscal year.

Cause

Because of a change in treasurer responsibilities, the required information was not timely submitted to the Utah Public Finance Website.

Effect

The City is not in compliance with reporting requirements.

Recommendation

We recommend that the City review procedures to ensure complete and accurate reports are posted timely.

Response

The required information was posted on October 23, 2014 and administrative controls have been put into place to ensure that all future reports will be submitted in a timely manner.

Clearfield City Corporation
Schedule of Expenditures of State Grants, Contracts, and Loan Funds
For the Year Ended June 30, 2014

Grant Name	Award Amount	Year of Last Audit	Expenditures
<u>Utah Department of Transportation</u>			
Class C Road		2013	\$ 771,589
SR193 Landscaping	\$ 343,000		\$ 6,417.00
<u>Utah Department of Public Safety</u>			
Eliminate Alcohol Sales to Youth Grant	\$ 660		\$ 660
Citizen Corp Grant	\$ 400		\$ 400
<u>Attorney General's Office</u>			
ICAC Task Force			\$ 8,097
<u>Commission on Criminal and Juvenile Justice</u>			
Justice Court Live Scan System	\$ 7,300		\$ 7,298
Utah State Asset Forfeiture Grant			\$ 2,143
TOTAL GRANT, CONTRACT, AND LOAN FUND EXPENDITURES			<u><u>\$ 796,604</u></u>