



# CITIZEN'S POPULAR ANNUAL FINANCIAL REPORT

*A Summary Financial Report of the 2014 Fiscal Year  
(July 1, 2013 through June 30, 2014)*

## *Purpose Statement*

The intent of the Clearfield City Citizen’s Popular Annual Financial Report (PAFR) is to provide residents and other interested parties with a single, concise, and understandable overview of Clearfield City’s independently-audited Comprehensive Annual Financial Report (CAFR) by answering 1) How the City is funded, and 2) How are these funds being spent?

Clearfield City operates on a fiscal year that begins on July 1<sup>st</sup> and ends June 30<sup>th</sup> of the following year. Utah State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) within six months of the close of each fiscal year which are audited in accordance with generally accepted accounting standards by a firm of licensed certified public accountants.

The City’s PAFR consolidates the information presented in the complete annual CAFR and anyone interested in obtaining a full copy of Clearfield City’s official CAFR document can do so from Clearfield City Municipal Building or online at [http://www.clearfieldcity.org/index.php?option=com\\_pdflist&Itemid=269](http://www.clearfieldcity.org/index.php?option=com_pdflist&Itemid=269).

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## History of Clearfield City

Clearfield City is located approximately 38 miles north of Salt Lake City in Utah. Located within Davis County, the City is the third largest city within the county. The City encompasses 7.66 square miles and is approximately 94 percent developed.

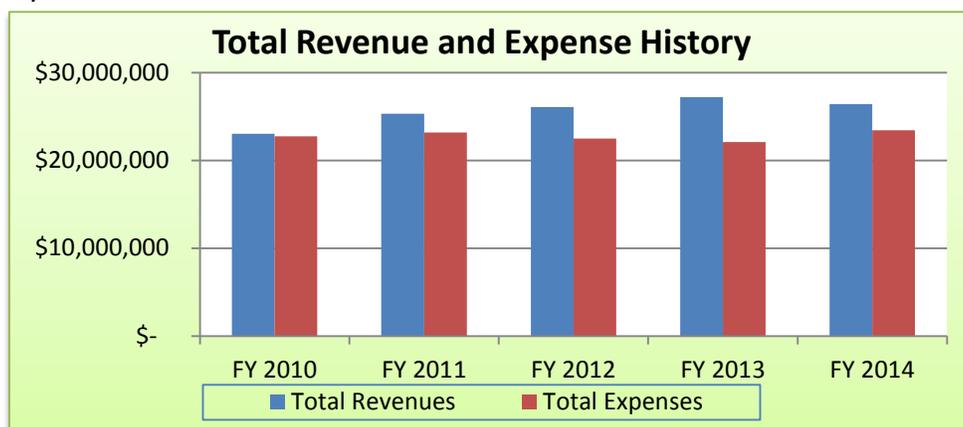
Clearfield City originally incorporated on July 17, 1922. The city of the third class (population between 30,000 and 60,000) and operate under a Council-Manager form of government by ordinance. The legislative body is comprised of five council members and the Mayor, who establish policy and procedure for the administration, organization, operation, conduct and business of the City. The City Manager, who is appointed by the Mayor and approved by the City Council, is responsible for implementing City policy and overseeing the day-to-day management of the City.

## City Council

The Mayor and Council members are elected at large to service four-year terms. Elections, which are held every two years, are staggered to help facilitate the continuity of the City Council. Clearfield City's Mayor during the FY2013-2014 was Mayor Mark Shepperd. Council Members during the same fiscal year were Ron Jones, Carrie Benson, Bruce Young, Kent Bush, and Michael LeBaron.

## Executive Summary

The most significant issue facing our community today is the economic conditions which occurred and the continued effects from multiple recessionary years. Luckily, the impact of these financial events over the past couple of years has not created a huge impact on the City and its ability to enhance the quality of life for all of Clearfield City's 30,000 residents and visitors. As a result of the economic conditions, Clearfield City was faced with decreasing revenues and increasing costs. In spite of this, the City still collected more in revenue than it paid out in expenses – an outcome that helped the City protect itself from further declines in the economy.



Clearfield City managed to maintain the maximum “reserves” during the economic conditions and did not have to dip into these “reserves” to continue operations. Clearfield City continues to meet departmental and City-wide goals and initiatives. Clearfield City wants to be the place where people want to live, work, and play.

### OVERALL FINANCIAL HIGHLIGHTS

- » Total net assets for both governmental-type and business type activities are \$109,238,662. This takes into account the assets that were added for new or replacement infrastructure. This indicates the City’s revenues are sufficient to fund ongoing programs and functions of the City.
- » The City’s governmental funds reported combined fund balances of \$14,095,407 which is an increase of \$1,841,358 from the fund balance reported in 2013 of \$12,254,049.
- » The City’s total overall debt decreased by \$1,820,874 from fiscal year 2013 for total outstanding debt of \$20,919,126.

### *How is Clearfield City Funded?*

Clearfield City is funded through several different sources.

### REVENUE HIGHLIGHTS

#### **Governmental Activities**

- » Governmental tax revenues were \$346,312 above projected budget from fiscal year 2013.
- » Fines and Forfeiture revenue decreased by \$145,940 due to a decrease in staff within the Police Department.

#### **Proprietary Fund Activities**

- » Charges for services increased over 2013 by \$300,453 (3.7%). All of the enterprise funds experienced increases in charges for services as a result of approved increases in the monthly service fees charged to customers.
- » Total operating revenues increased from fiscal year 2013 by \$244,970 (2.9%).
- » Net assets decreased by \$977,595 from fiscal year 2013 for total net assets of \$15,288,973.

### TAXES, FEES & OTHER REVENUE DESCRIPTIONS

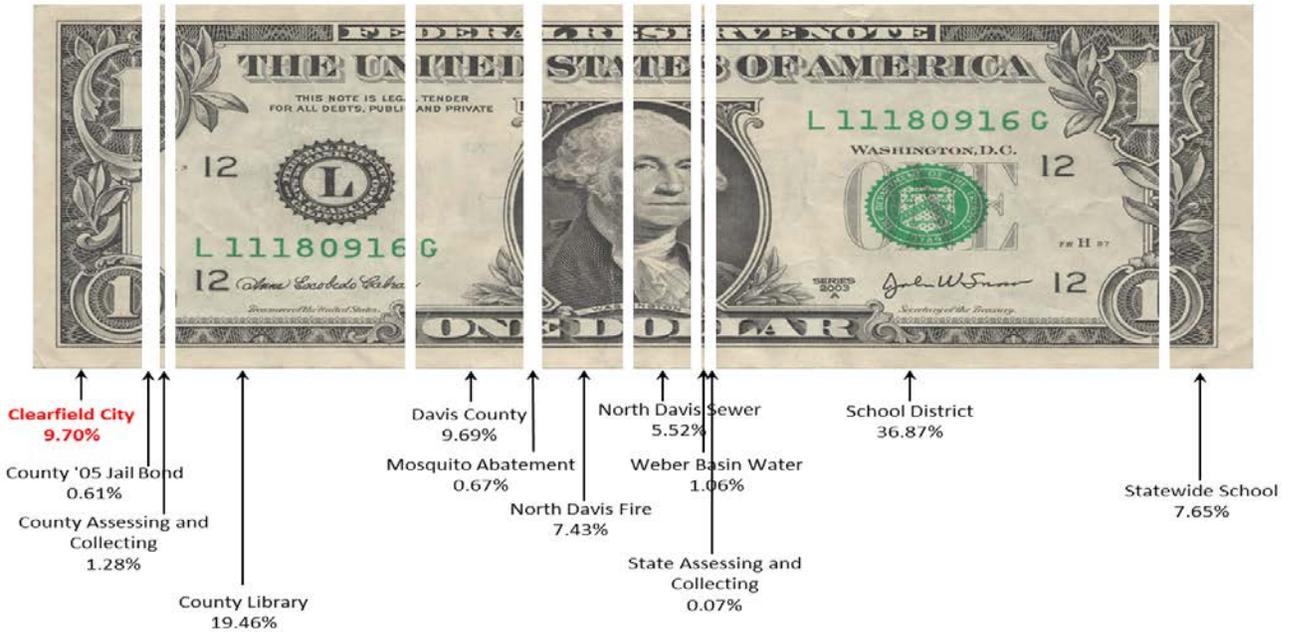
The main funding sources along with a description of each are as follows:

#### ***Property Tax***

There is multiple tax collecting entities within Clearfield City. They include: Davis County School District, North Davis Fire District, Davis County, Statewide School, North Davis Sewer District, Davis County Library, Weber Basin Water, Davis County 2005 Jail Bond, Utah State Assessing and Collecting, Mosquito Abatement, and Davis County Assessing and Collecting. Clearfield City’s 2014 certified tax rate is 0.001800%. Primary residences are taxed at 55% of the assessed value while secondary residences and commercial properties are taxed at 100% of the assessed

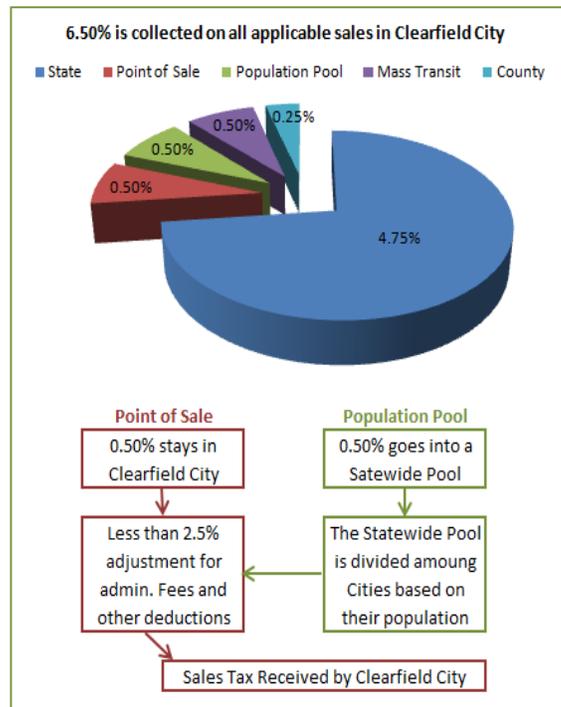


value. Clearfield City’s 2013-2014 budget was adopted with no tax increase. As indicated on the dollar graph below, Clearfield City’s portion of property tax is only 10.25% of the total property tax assessed.



**Sales Tax**

Total sales tax is made up of several rates levied by the State, County, and City. Of the 6.5% tax on general purchases, Clearfield City only levies about 1.0% overall. 50% of the 1% levied goes directly to the City and the other 50% goes to the State where it is disbursed to Cities within the state based upon their population. Clearfield City’s portion of the State-wide pool is only 0.0100%.



**Fees**

The City has several fees that are assessed on services such as business licenses, recreation, planning, building, water, sewer, storm sewer, and solid waste fees. All of Clearfield City’s fees are reviewed on a regular basis to ensure that charges for services are based upon costs associated with providing a particular service and to meet market conditions.

**Grants**

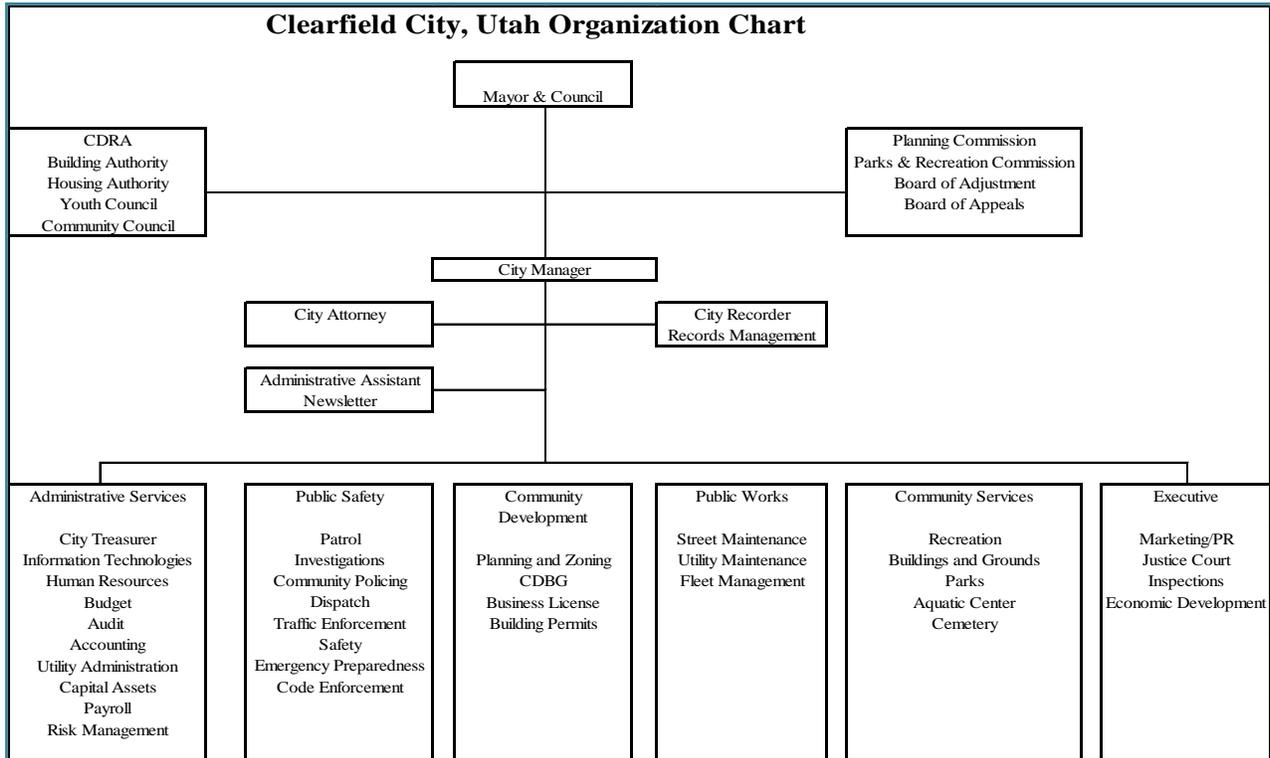
Clearfield City receives grants every year from the federal and state governments. These grants help fund different projects including energy efficiency and public safety.



## Services

Clearfield City spends tax dollars and fee revenue on 1) Services and 2) Capital Projects. Services provided by municipalities are all around you and include such

provisions as police, streets, utilities, special events, parks, and so forth. “Capital Projects” refers to purchasing, construction, and/or maintenance of roads, public buildings, and infrastructure.



Clearfield City offers a variety of services to residents and visitors. A variety of funds are used in order to best account for these services. These services generally fit into one of six categories:

- 1) Administrative Services
- 2) Public Safety
- 3) Community Development
- 4) Public Works
- 5) Community Services
- 6) Executive

The Mayor and City Council direct the City Manager and staff on which programs to provide services and to what degree. Staff submits their budgets for approval each year according to the services they are anticipating to provide.

### Administrative Services

Supports and serves all divisions of Clearfield City by maintaining centralized cost accounting functions, oversight and direct support of departmental personnel and payroll activities, preparation and submission of internal and legally mandated reports, and interpretation and distribution of emerging legislative and policy information. Divisions within the Administrative Services Department include City Treasurer, Information Technologies (IT), Human Resources (HR), Budget, Audit, Accounting, Utility Administration (Enterprise Fund 50), Capital Assets, Payroll, and Risk Management (Fund 63).

### *Public Safety*

Consists of Police, Dispatch, Emergency Preparedness, and Code Enforcement; Clearfield City is dedicated to providing high-quality protection of life, property, and the environment for the community. The City's Justice Court also works closely with Public Safety in the pursuit of justice under the law.

Police are responsible for preventing, investigating, and enforcing crimes in the City including traffic enforcement, safety, and community policing. Police Administration manages dispatch services, evidence, record-keeping and crossing guard efforts. Code Enforcement are



overseen by special function officers who enforce violations associated with inoperable vehicles, trash, high grasses and weeds, and pest infestations.

### *Community Development*

Provide development services (building permits, business licenses) to the residents, customers, and employees of Clearfield City. Planning and Zoning division provides guidance related to the environmental, economic, and community development and sustainability of the City. CDBG oversees the administration of the Community Development Grant Recipients and associated capital projects within the community.

### *Public Works*

Consists of departments that deal directly with the City's infrastructure and public



facility needs. Clearfield City provides a wide array of services in the street, water, sewer, storm sewer, and fleet departments. Solid Waste disposal is provided through a service contract.

Streets Division maintains everything related to the City's streets such as signs, striping, sidewalks, curbs, gutters, surface drainage facilities, and snow removal.

The Water Division is responsible for the safe supply of water at adequate pressure, both for inside and outside uses to customers. They also oversee the construction and maintenance of water distribution lines, wells, and storage tanks. The Sewer Division maintains the sewage collection system while treatment is handled by the North Davis Sewer District (NDS). The Storm Sewer Division oversees the construction and maintenance of storm conveyance and storm sewer detention basin facilities in the City.

### *Community Services*

Provides community services (recreation, parks, and aquatic center) to the residents, customers, and employees of Clearfield City. Community Services division includes

Cemetery and Buildings and Grounds departments.

Recreation Division provides leisure activities such as educational, recreational, and social activities for all ages through soccer, softball, football, baseball, basketball, volleyball, and community center programs.

Parks includes supervising the park improvements, summer upkeep on grass, trees and play equipment, and snow removal of walkways in the winter of the City's 81.456 acres of parks. The Cemetery Division is responsible for grounds upkeep, interment, and gravesite maintenance.



Aquatic Center is responsible for providing safe aquatic facilities and programs such as swimming lessons, leisure swimming opportunities, and life saving personnel to oversee the users of the aquatic facility. The aquatic center personnel are also responsible for overseeing the acquisition, maintenance, and upkeep of exercise equipment and weight room supplies.

Buildings and Grounds Division is responsible for the maintenance and

upkeep of all city owned facilities such as the Municipal Building, Parks Buildings, Public Work Shop Facilities, and Aquatic Center Facilities.

*Executive*

Provides administrative services to the residents, customers, and employees of Clearfield City through Marketing/Public Relations, Justice Court, Inspections, Legal, City Recorder, and Economic Development.

Marketing/Public Relations Division is responsible for all marketing campaigns and events designed to make the public more aware of the services Clearfield City has to offer and the of building, developing, and/or having a business located within the City.

Clearfield City's Justice Court processes traffic, criminal, class b, class c, infractions, and small claims. They work closely with the Police Department in pursuit of justice under the law.

The Legal Division provides authoritative legal advice to the City and its various departments as well as defends the City's legal rights and interest.

The City Recorder Division provides information and services to the legislative and executive branches of the City.



## Capital Assets and Debt Administration

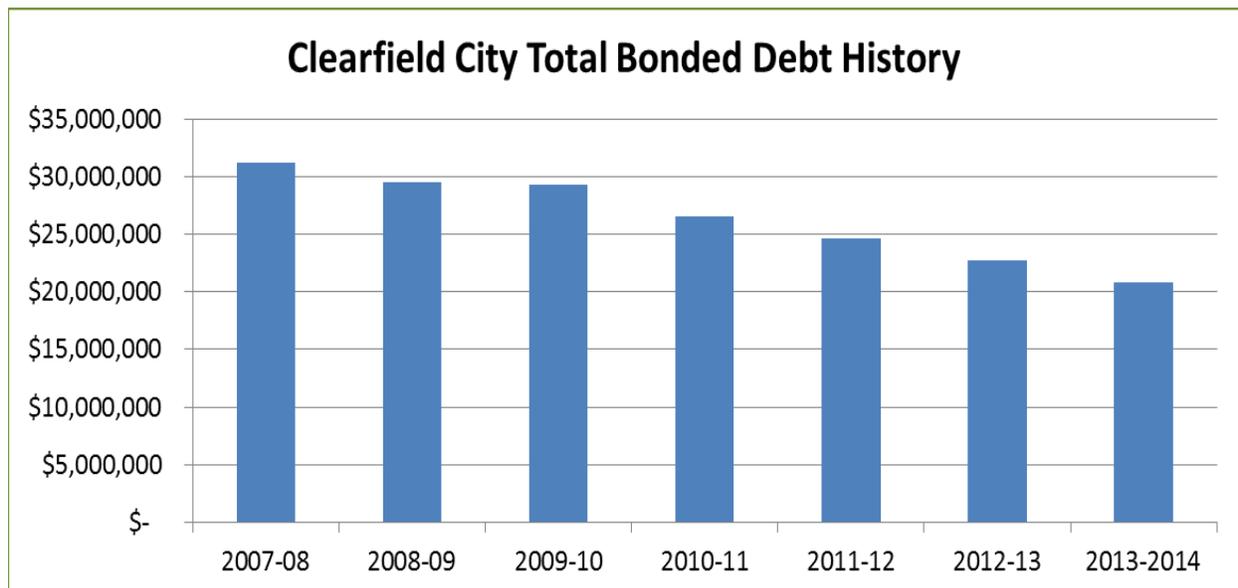
As you might expect, the continued maintenance and development of Clearfield City's utility infrastructure and roadways remains a high priority. Clearfield City's investment in capital assets for governmental and business-type activities as of June 30, 2014 amounted to \$109,238,662 (net of accumulated depreciation). Of the total capital assets, \$79,660,615 is tied up in land, buildings, streets, sewer and water systems, equipment and projects being built.

### MAJOR CAPITAL ASSET ACTIVITY

- » In governmental activities, the City completed road projects which included total road rebuilds, chip seals, road overlays and crack patching in the amount of \$653,377 which were completed and paid by June 30, 2014.
- » In the proprietary funds, a primary increase in net assets came from the completion of new water, sewer, and storm sewer infrastructure being replaced. Additional projects were started in fiscal year 2014 but will not be completed until fiscal year 2015.

### DEBT ADMINISTRATION

Since 1998, the City has used bonds for the acquisition and construction of major capital facilities, for a new aquatic center, a skate park, gymnasium, water and sewer projects, and road projects.



Since FY2013, the City has decreased its total outstanding debt by \$1,935,000; however, since FY2007 when the City issued revenue bonds for road projects, the City has decreased its total outstanding debt by \$10,749,288. Directly attributable to this steady decrease in outstanding debt, the City currently has a AA bond rating from Standard and Poor's for the General Obligation (GO) Bonds.

## Budget Process & Timeline

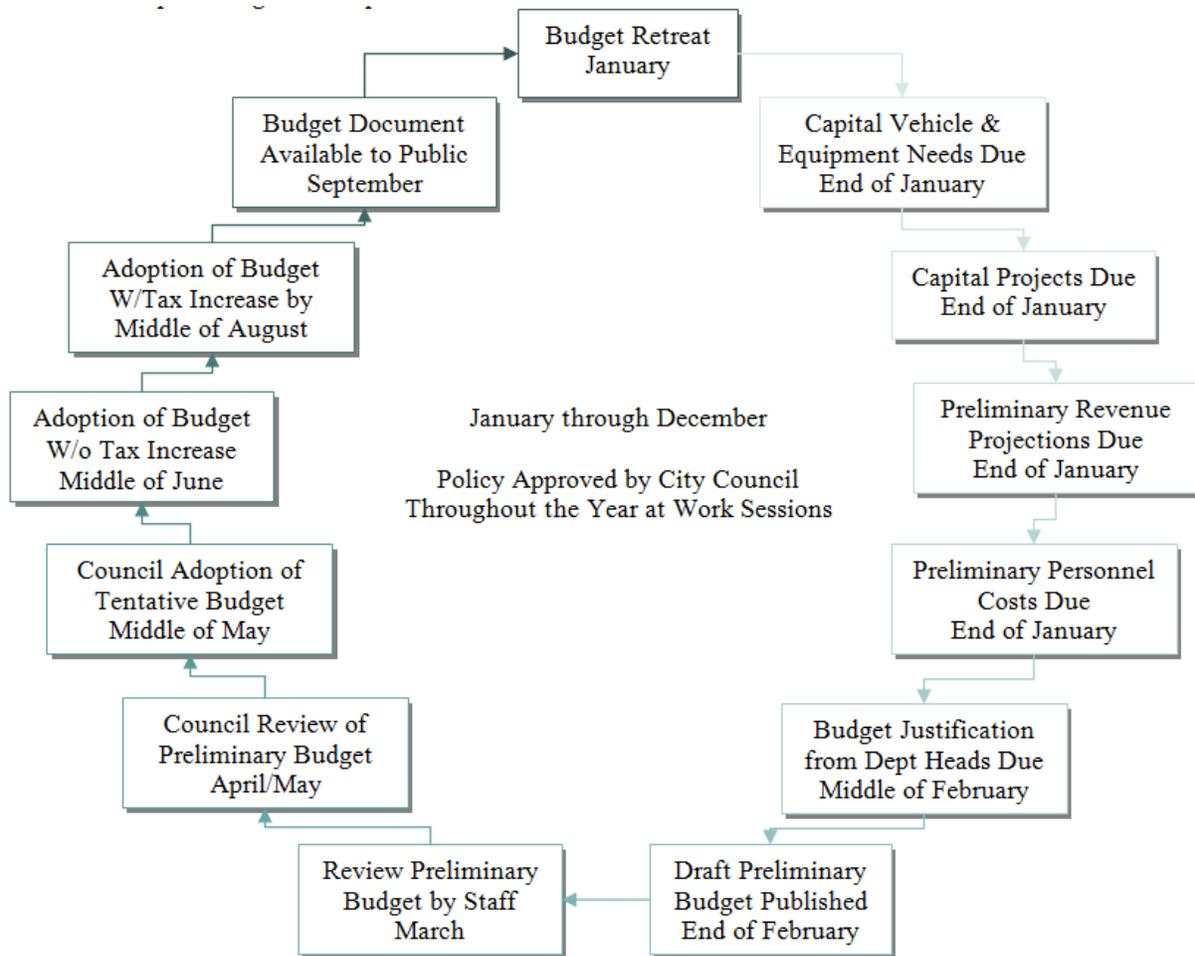
### BUDGET PROCESS

Clearfield City’s budget is an ongoing process combining citizen input, City Council desires and direction, and staff recommendations to meet community needs. Clearfield City’s budget process provides citizens with many opportunities to participate.

Clearfield citizens are encouraged to attend public meetings, including the public hearings on the annual budget. Public hearings provide opportunities to discuss services, projects, and other issues with Clearfield City Council face-to-face.

Individuals and organizations can find Clearfield City’s budget online at [www.clearfieldcity.org](http://www.clearfieldcity.org) and those who would like more information on the budget process or a hard copy of the budget document are encourage to contact the Finance Department at (801) 525-2730.

### BUDGET TIMELINE



## Supplementary Tables

	Changes in Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 4,267,468	\$ 4,224,954	\$ 8,199,933	\$ 8,781,224	\$ 12,467,401	\$ 13,006,178
Operating Grants & Contributions	\$ 883,706	\$ 899,337	\$ -	\$ -	\$ 883,706	\$ 899,337
Capital Grants & Contributions	\$ 345,019	\$ 304,303	\$ 1,461,653	\$ -	\$ 1,806,672	\$ 304,303
General Revenues						
Property Taxes	\$ 5,249,766	\$ 5,200,014	\$ -	\$ -	\$ 5,249,766	\$ 5,200,014
General Sales & Use Tax	\$ 3,511,629	\$ 3,648,705	\$ -	\$ -	\$ 3,511,629	\$ 3,648,705
Other Taxes	\$ 3,171,735	\$ 3,257,562	\$ -	\$ -	\$ 3,171,735	\$ 3,257,562
Investment Income	\$ 77,621	\$ 99,266	\$ 84,951	\$ 41,848	\$ 162,572	\$ 141,114
Other Revenue	\$ 44,714	\$ (67,631)	\$ 337,201	\$ 880	\$ 381,915	\$ (66,751)
<b>Total Revenues</b>	<b>\$ 17,551,658</b>	<b>\$ 17,566,510</b>	<b>\$ 10,083,738</b>	<b>\$ 8,823,952</b>	<b>\$ 27,635,396</b>	<b>\$ 26,390,462</b>
<b>Expenses</b>						
General Government	\$ 4,408,533	\$ 4,419,080	\$ -	\$ -	\$ 4,408,533	\$ 4,419,080
Public Safety	\$ 4,298,248	\$ 4,258,275	\$ -	\$ -	\$ 4,298,248	\$ 4,258,275
Highways & Streets	\$ 579,064	\$ 583,792	\$ -	\$ -	\$ 579,064	\$ 583,792
Community Services	\$ 3,755,723	\$ 4,196,122	\$ -	\$ -	\$ 3,755,723	\$ 4,196,122
Community Development	\$ 534,675	\$ 460,111	\$ -	\$ -	\$ 534,675	\$ 460,111
Other	\$ 912,002	\$ 828,074	\$ -	\$ -	\$ 912,002	\$ 828,074
Utilities	\$ -	\$ -	\$ 7,607,473	\$ 8,683,770	\$ 7,607,473	\$ 8,683,770
<b>Total Expenses</b>	<b>\$ 14,488,245</b>	<b>\$ 14,745,454</b>	<b>\$ 7,607,473</b>	<b>\$ 8,683,770</b>	<b>\$ 22,095,718</b>	<b>\$ 23,429,224</b>
<b>Excess (Deficiency) Before Transfers</b>	<b>\$ 3,063,413</b>	<b>\$ 2,821,056</b>	<b>\$ 2,476,265</b>	<b>\$ 140,182</b>	<b>\$ 5,539,678</b>	<b>\$ 2,961,238</b>
Contributions of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers	\$ 439,081	\$ 559,827	\$ (439,081)	\$ (559,827)	\$ -	\$ -
<b>Increase (Decrease) in Net Assets</b>	<b>\$ 3,502,494</b>	<b>\$ 3,380,883</b>	<b>\$ 2,037,184</b>	<b>\$ (419,645)</b>	<b>\$ 5,539,678</b>	<b>\$ 2,961,238</b>
<b>Assets</b>						
Net Assets, Beginning of Year	\$ 20,201,719	\$ 23,511,408	\$ 55,599,247	\$ 57,100,589	\$ 75,800,966	\$ 80,611,997
Net Assets, Ending of Year	\$ 23,704,213	\$ 26,892,291	\$ 57,636,431	\$ 56,680,944	\$ 81,340,644	\$ 83,573,235

## Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
General Obligation (GO) Bonds	\$ 7,160,000	\$ 6,390,000	\$ -	\$ -	\$ 7,160,000	\$ 6,390,000
Revenue Bonds	\$ 13,580,000	\$ 12,670,000	\$ 2,000,000	\$ 1,745,000	\$ 15,580,000	\$ 14,415,000
Notes Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 20,740,000</b>	<b>\$ 19,060,000</b>	<b>\$ 2,000,000</b>	<b>\$ 1,745,000</b>	<b>\$ 22,740,000</b>	<b>\$ 20,805,000</b>

### Clearfield City Total Bonded Debt History by Type

FY	Governmental Activities				Business-Type Activities		Total
	GO Bonds	Rev Bonds	Notes Pay	Cap Lease	Rev Bonds	Cap Lease	
2002-03	\$ 13,205,000	\$ 18,062,000	\$ 746,063	\$ 622,491	\$ 161,442	\$ 267,964	\$ 33,064,960
2003-04	\$ 12,655,000	\$ 17,664,000	\$ 689,434	\$ 477,311	\$ -	\$ 124,934	\$ 31,610,679
2004-05	\$ 12,405,000	\$ 17,036,000	\$ 559,443	\$ 229,743	\$ -	\$ 55,347	\$ 30,285,533
2005-06	\$ 11,750,000	\$ 16,190,000	\$ 670,132	\$ 148,261	\$ -	\$ -	\$ 28,758,393
2006-07	\$ 11,175,000	\$ 16,382,000	\$ 603,499	\$ 63,789	\$ 3,330,000	\$ -	\$ 31,554,288
2007-08	\$ 10,575,000	\$ 16,953,000	\$ 534,072	\$ 21,596	\$ 3,125,000	\$ -	\$ 31,208,668
2008-09	\$ 9,950,000	\$ 16,190,000	\$ 461,629	\$ -	\$ 2,920,000	\$ -	\$ 29,521,629
2009-10	\$ 9,290,000	\$ 17,104,000	\$ 234,348	\$ -	\$ 2,705,000	\$ -	\$ 29,333,348
2010-11	\$ 8,605,000	\$ 15,480,000	\$ 30,000	\$ -	\$ 2,480,000	\$ -	\$ 26,595,000
2011-12	\$ 7,895,000	\$ 14,463,000	\$ -	\$ -	\$ 2,245,000	\$ -	\$ 24,603,000
2012-13	\$ 7,160,000	\$ 13,580,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ 22,740,000
2013-14	\$ 6,497,482	\$ 12,676,644	\$ -	\$ -	\$ 1,755,109	\$ -	\$ 20,929,235

### Demographic & Economic Statistics

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	5,600	7.7
2014	30,376	10,409,081	35,719	25.8	5,725	7.0

Visit Us At:  
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