

**WOODS CROSS CITY COUNCIL AGENDA
1555 SOUTH 800 WEST
JANUARY 6, 2015
6:30 P.M.**

INVOCATION:

RYAN WESTERGARD

PLEDGE OF ALLEGIANCE:

TAMRA DAYLEY

REFERENCE NUMBER:

- | | | |
|-----|---|------------|
| 1. | Review of Agenda | MAYOR |
| 2. | Consideration to Approve Minutes | MAYOR |
| 3. | Approval of Cash Disbursements | MAYOR |
| 4. | Open Session (Brief Items) | MAYOR |
| 5. | Report on Activities of the Mosquito Abatement District-Davis | HATCH |
| 6. | Community of Promise Report | BODELL |
| 7. | YCC Report | HOOPER |
| 8. | Presentation and Approval of FY 2014 Financial Audit Report | KEDDINGTON |
| 9. | Consideration to Approve Sky Park Industrial Park Phase V Final Plat | BYRD |
| 10. | Presentation of New Proposed Site Plan for Multi-family Dwellings at 2375 South 800 West by Brighton Homes | BENNION |
| 11. | Consideration to Accept a Proposal for a Job Classification and Compensation Study by Personnel System and Services | SWALLOW |
| 12. | Consideration to Grant Final Acceptance to Mountain View Townhome Subdivision Phase 3 | ANDERSON |
| 13. | Consideration to Grant Final Acceptance to Mountain View Subdivision Phase 6 | ANDERSON |
| 14. | Consideration to Approve the Lease of a 2015 John Deere Loader and Backhoe | ANDERSON |
| 15. | Open Session | MAYOR |
| 16. | South Davis Sewer District Report | WESTERGARD |
| 17. | Mayor's Report | MAYOR |
| 18. | City Administrator's Report | URESK |

The public is invited to participate in all City Council meetings. If you need accommodations to participate in the City Council meeting, please call the City Administrator's Office at 801-292-4421. Please provide at least 24 hours notice for arrangements to be made.

**WOODS CROSS CITY COUNCIL MEETING
DECEMBER 16, 2014**

The minutes of the Woods Cross City Council meeting held December 16, 2014 at 6:30 P.M. in the Woods Cross City hall located at 1555 South 800 West, Woods Cross, Utah.

CONDUCTING:

Mayor Rick Earnshaw

COUNCIL MEMBERS PRESENT:

Rick Earnshaw, Mayor
Tamra Dayley
Jill Evans

David C. Hill
James Sheldon
Ryan Westergard

STAFF PRESENT:

Gary Uresk, City Administrator
Tim Stephens, Community Development Director
Jessica Sims, City Recorder
Scott Anderson, Public Works Director
Greg Butler, Police Chief
Judge Renstrom
Marc Evans, Public Works

VISITORS:

Patt Huttsell
Norm Robbins
Chris Hadley
Tracy Butters
Benjamin Butters
Julie Checketts
Bill DeWall
Scott Myers
Scott Susset
Shon Feller

INVOCATION:

Rick Earnshaw

PLEDGE OF ALLEGIANCE:

Gary Uresk

APPROVAL OF MINUTES

The City Council reviewed the minutes of the City Council Meeting held December 2, 2014. After their review Council Member Hill motioned the minutes be approved as corrected with Council Member Evans seconding the motion and all voted for the motion through a roll call vote.

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SWEARING IN OF RUEBEN RENSTROM CONTINUING AS THE WOODS CROSS CITY JUSTICE COURT JUDGE

The Mayor then noted the following for the City Council:

“In November, Judge Renstrom went through a retention election and was retained by the voters and is required to be sworn in again as the City’s justice court judge. The city’s court clerk actually swore him in last Tuesday because he felt it needed to be done at that time but I felt we would like to do one for the public and give Judge Renstrom some recognition before the City Council.”

The Mayor then gave the floor to the City Recorder who then administered the Oath of Office to Judge Renstrom. The City Council congratulated him and thanked him for his service.

REVIEW OF FINANCIAL REPORT

The floor was given to the City Administrator who reviewed the City’s Financial Report with the City Council for the period ending November 30, 2014. The City Council reviewed the City’s cash position, sales and use tax report, the transient room tax report, report of the impact fees collected for South Davis Metro Fire Agency, Energy Tax Collection report and an executive summary of the City’s funds, comparing revenues and expenditures to the budget.

APPROVAL OF CASH DISBURSEMENTS

The floor was given to the City Recorder who reviewed the Cash Disbursements listing for tonight’s meeting with the City Council, as well as the disbursements that the Council had approved through email. After their review Council Member Evans made a motion to approve the cash disbursements as presented with Council Member Sheldon seconding the motion and all voted for the motion through a roll call vote.

OPEN SESSION (BRIEF ITEMS)

The Mayor then opened the meeting to items from those present that they would like to bring before the City Council which would take less than two or three minutes.

The Mayor gave the floor to Ms. Julie Checketts who is on the Air Quality Committee for the City. She said the city had sponsored a contest for the students of Woods Cross High school to come up with a logo that would help bring awareness of wood burning and the effects it has on air quality in the city. Ben Butters was the winner of that contest with the logo, “CURB THE BURN.” Mr. Chris Hadley from Foreland Refining presented Ben with an Ipad mini and congratulated him on his award winning idea. The Mayor and the Council then congratulated Ben on winning this award and thanked him for participating.

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The Air Quality Committee also thanked Mr. Shon Feller, the art teacher at Woods Cross High, who helped organize the contest at the school. Ms. Checketts said they would be getting the word out and using the new logo in the city newsletter, on social media and also by letting the Governor of Utah know that Woods Cross is concerned about air quality and the city supports him in his efforts to reduce air emissions from wood burning. Ms. Checketts also mentioned trying to get the logo made into bumper stickers and t-shirts.

Ms. Checketts also mentioned she had attended the rally for Citizens for Responsible Prison Relocation and she said they have a Facebook page that people can visit. She also said that one site for the state prison is being proposed to be relocated in North Salt Lake which is within 5 miles of Woods Cross city and is in very close proximity to many schools. She encouraged all to visit the website and become involved.

There were no further items for the open session and the Mayor closed the open session.

POLICE DEPARTMENT

The Mayor gave the floor to the Chief of Police who went over the following information with the City Council:

POLICE REPORT FRO NOVEMBER 2014

Dispatch Calls 2014

November—946
October—734
September—803
August—777
July—802
June—763
May—956
April—838
March—761
February—662
January—748

Activity Report

- No Shave November—Winners Salmon, Hoffman & Gonzales
- Hosted Rad Kids Training November 3rd-8th
- Nighttime Scenario Firearms Training November 12th and 13th
- Held a Wills for Heroes event November 15th
- GRAMA Training November 20th
- Department Meeting with City Manager and team building exercise November 24th
- Fat Pot installed view only system
- Department Pics and Holiday Card

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- 2 Scout Tours
- Met with area Chiefs on CPA—Budget discussed, as well as Stephanie will attend advanced CPA certification May 2015 in Kentucky

Use of Force Reviews

“Fleeing Felon” Offender known to officer fled on foot, when captured was commanded at gunpoint to surrender to arrest. Suspect complied and was arrested.

SWAT Team Activity (Training)

- Hostage Rescue
- Barricaded subjects
- Firearms training
- Drills with SLCPD SWAT

Utah Truck Inspector Program (UTIP)

- 7 Truck Inspections
- 3 trucks put out of service
- 12 other cites
- 1 traffic accident
- Tanker Certification very complicated

Woods Cross School Activities

- Alcohol Arrest
- Criminal Mischief Arrest

Neighborhood Watch Minute

Tis the season to be jolly, but it is also the season to be wary of burglars, thieves, pickpockets, and other holiday grinchers. Nothing can ruin the holiday spirit faster than becoming the victim of a crime.

LPR Highlights

- Still having software issues. Working with MVED to correct them.
- Was able to fix the problem yesterday

Detective Case Load

- 28 active cases
- 4 new CPS cases
- Solved Ergon Felony Criminal Mischief Case
- Working on 7-11 Robbery

There was some discussion on sub-contracting tanker inspections with someone. The Chief said he might know of someone and said he would look into the matter.

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The Mayor asked about increasing police patrols in Mountain View Estates with the recent break-ins in some cars. The Chief noted he did a breakdown of recent crimes in the area and said it amounted to about one crime every other month which was not too significant for the area. He suggested the Neighborhood Watch be diligent and that all in the area keep a look out for each other's homes and properties.

MILLS PARK FRISBEE GOLF PROPOSAL

The Mayor gave the floor Marc Evans from the parks department who introduced Kellan Doom, Joel Langford and Brett Anderson, who came to the City Council meeting to make a presentation to the Council on a proposed Frisbee Golf course within the city.

Council Member Hill mentioned that he has heard that our city parks are overused and was somewhat concerned that adding a Frisbee golf course could add to this issue. It was noted the way the course was going to be laid out, it would benefit the parks utilizing the A-1 drain and could be used year around. Council Member Hill also asked how much the cost would be. They said it was very inexpensive to start up and would be great for family use. Mr. Doom said this is a great activity to help people get out and away from the TV and away from other electronics and to build your fitness. He also said it was very low cost and requires very little maintenance. He noted everyone can play the sport and it is the fastest growing sport in the world right now.

Mr. Doom also went over what would be needed for the course and what the costs would be to start up the course. There was also discussion if sponsors could be beneficial to help with costs or if there would be a need for sponsorship.

They group went over what would be required to get this disc golf course started and the Council expressed concerns over discs flying over fences, hitting houses and increased traffic in the area, and the possibility of one of the discs hitting someone who might be in the park for other reasons. Mr. Doom said the way the course would be constructed it would be very unlikely that they would experience any of the above mentioned problems. Council Member Hill suggested this information be put onto the city's website and in the city newsletter for community comments. It was also suggested the Council try out the sport at another course sometime in the spring to see what it might be like and if they would enjoy it and recommend it to others.

The Mayor thanked them for their time and presentation and said the Council would take all the information into consideration.

PUBLIC HEARING TO TAKE PUBLIC INPUT ON PROPOSED NONCONFORMING USE ALTERATION LOCATED AT 1380 SOUTH 800 WEST TO ELIMINATE THE OUTSIDE STORAGE AREA AND CONSTRUCT A SELF SERVE STORAGE UNIT IN ITS PLACE

The Mayor gave the floor to the Community Development Director who went over the following with the City Council:

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“As you are aware, nonconforming uses generally cannot be altered, changed, or enlarged. However, our zoning regulations do permit the City Council to consider, with a prior recommendation from the Planning Commission, an alteration, change, or enlargement to a nonconforming use if specific criteria, as outlined in the ordinance, are met.

“The applicant is interested in purchasing property on 800 West which consists of two homes with a very small, self-service storage facility behind them. The self-service storage consists of one rectangular building with individual units and roll-up doors. The remaining property consists of a fenced area for the outside storage of recreational vehicles, such as boats, travel trailers, and similar vehicles. The applicant would like to eliminate the outside storage and replace it with a new inside storage building with individual units and roll-up doors. There presently exists a separately-owned, small indoor self-service storage facility just north and adjacent to the subject property. The existing outside storage area was dirt and gravel surface.

“Chapter 22 of the zoning ordinance entitled “Prior Nonconforming Uses,” states in section 12-22-104 (B)(1)(a), that “a nonconforming use may not be enlarged, altered, or changed unless authorized by the City Council in consideration of the prior recommendation of the Planning Commission based on the following criteria: That the expansion, alteration, or change of use would not adversely impact the surrounding properties more than the existing nonconforming use; The proposed expansion, alteration, or change will make the building, structure or site more compatible with the surroundings and existing zoning; That the site of the proposed expansion, alteration, or change of use conforms to all site development requirements as physically possible given the existing site limitations; and That the proposed expansion, alteration, or change does not create new nonconformities.”

“It would appear that eliminating the gravel outside storage area and replacing it with an enclosed self-service storage building with an asphalt surface would make the site more compatible with the surroundings and existing zoning which is C-1 Restricted Commercial. The proposal would also provide screening or slats to the existing fence along the west boundary of the property adjacent to residential homes, in addition to installing a new fence and gated access to the storage area. This particular site and outside storage is, for the most part, hidden from the street and public view. However, it is probably visible from the adjacent homes to the west. As such, eliminating the outside storage of travel trailers, RV’s boats, and snowmobiles and replacing it with an enclosed storage unit building would, in the staff’s opinion, make the site more compatible with the surroundings and existing zoning.

“The Planning Commission has reviewed this issue with the applicant and has recommended to the City Council the approval of a nonconforming use alteration for the proposed project with the following conditions:

- All outside storage will be eliminated from the site.
- The applicant shall prepare a final site plan application and site plan and submit it to the Planning Commission for their review and approval.

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Scott Myers appeared before the Council to answer any question regarding this matter. The Council asked how many storage units would be constructed and where they would be located. Mr. Myers said there would be 10 on each side. He also described what the storage door construction would be like and where fencing would be placed and who would be living in the homes that are presently located on the property, one of which would house the onsite manager, as well as reviewing the security system that would be installed. Mr. Myers said he wanted to clean up the area and make it look nicer.

The Mayor then opened the public hearing.

There were no comments from the public and the Mayor closed the public hearing.

The Council did say the changes to the property would be a definite improvement to the property especially with an onsite property manager.

CONSIDERATION TO APPROVE A NONCONFORMING USE ALTERATION LOCATED AT 1380 SOUTH 800 WEST TO ELIMINATE THE OUTSIDE STORAGE AREA AND CONSTRUCT A SELF SERVE STORAGE UNIT IN ITS PLACE

Following the discussion above Council Member Hill made a motion to approve the nonconforming use alteration located at 1380 South 800 West to eliminate the outside storage area and construct a self serve storage unit in its place. Council Member Evans seconded the motion and all voted for the motion through a roll call vote.

PUBLIC HEARING TO RECEIVE INPUT AND CONSIDER APPROVAL AND ADOPTION OF THE IMPACT FEE FACILITIES PLANS, THE IMPACT FEE ANALYSES, AND THE IMPACT FEE ORDINANCE

The Mayor gave the floor to the City Administrator who reviewed the following information with the City Council:

“Jason Burningham will be at the meeting to give a pared down version of the power point that he presented at the Council meeting a month ago. He will go over the creation of the Impact Fee Facilities Plans, the Impact Fee Analyses and the ordinance. Given to the Council is the Impact Fee Analyses. The Impact Fee Facilities Plans are too big to include. If any of you would like to review them, let me know and I will get you a copy. There are some minor changes to the document that were discussed at the last meeting, but no major changes have been made.”

Mr. Jason Burningham then appeared before the Council and went over the proposed changes to the impact fees because of changes to the law and the purposes of impact fees and the costs of the impact fees.

The Mayor then opened the public hearing for public comments.

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There were no public comments and the Mayor closed the public hearing.

CONSIDERATION OF ADOPTION OF AN ORDINANCE ADOPTING, THE AMENDED AND UPDATED IMPACT FEE FACILITIES PLANS AND IMPACT FEE ANALYSES FOR CULINARY WATER, STORM DRAIN, AND PARKS & TRAILS; ADOPTING AMENDED AND UPDATED IMPACT FEES FOR SAID FACILITIES; ESTABLISHING CERTAIN POLICIES AND RELATED TO IMPACT FEES; ESTABLISHING SERVICE AREAS; AND/OR OTHER RELATED MATTERS

Following the above discussion, Council Member Westergard made a motion to adopt ordinance 2014-562, an ordinance adopting the amended and updated impact fee facilities plans and impact fee analyses for culinary water, storm drain, and parks & trails; adopting amended and updated impact fees for said facilities; establishing certain policies and related to impact fees; establishing service area; and/or other related matters. Council Member Evans seconded the motion and all voted for the motion through a roll call vote.

CONSIDERATION TO AMEND THE SCOPE OF SERVICES FOR THE PROFESSIONAL SERVICES CONTRACT WITH LEWIS, YOUNG, ROBERTSON & BURNINGHAM TO COVER ADDITIONAL COSTS INCURRED IN THE PREPARATION OF THE IMPACT FEE ANALYSIS

The Mayor gave the floor to the City Administrator who went over the following with the City Council:

“Given to the Council is a proposed Scope of Services amendment, to our Professional Services contract with LYRB. There will be an increase of fees by \$6,000 above that of the original agreement. As we got into drafting the Impact Fee Facilities Plans there was considerable coordination that needed to be made between JUB and Lewis Young particularly in the drafting of the Parks & Trails Master Plan and in completing the Facilities Plan for the Storm Drain and Culinary Water. We also had the additional meeting with the City Council to brief the Council prior to adoption of the ordinance which was not included in the original Scope of Services.

“These fees are allocated to each of the impact fees funds and can be paid for by impact fees.

“I have discussed the increased Scope of Services with Jason Burningham and feel comfortable since it has been seven years since we have reviewed the impact fees, and there was a lot of work that needed to be done. I feel the additional work was justified and needed to be done in order to have a final product that would be defensible if we were to be challenged.”

Following the City Administrator’s information, Council Member Dayley made a motion to amend the Scope of Services of the Professional Services Contract with Lewis, Young, Robertson & Burningham to cover additional costs incurred in the preparation of the Impact Fee

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Facilities Plan and the Impact Fee Analysis. Council Member Sheldon seconded the motion and all voted for the motion through a roll call vote.

CONSIDERATION TO APPROVE AN ARBOR DAY PROCLAMATION

The floor was given to the Community Development Director who went over the following with the City Council:

“The public works department is working on a Tree City USA application for this year. As part of that, they have asked me to request that the City Council approve a resolution proclaiming Woods Cross Arbor Day. Given to the Council is the resolution that declares Wednesday, December 17th, Woods Cross Arbor Day.”

Council Member Hill made a motion to approve resolution 582-2014 Wednesday, December 17th, 2014 as Woods Cross Arbor Day. Council Member Dayley seconded the motion and all voted for the motion through a roll call vote.

DISCUSSION ON PROPOSED LANDSCAPING PLAN FOR THE NEWLY CONFIGURED 2600 SOUTH INTERCHANGE

The Mayor gave the floor to the City Administrator who noted the following for the City Council:

“At the last meeting I presented an amount of \$242,000 that would need to be paid for the landscaping on 2600 South. This was reduced by \$81,000 in landscaping monies and I recommended \$50,000 from the UDOT purchase of property be applied to the cost of the project reducing the amount we would need to get from other sources to \$111,000. However, we had a meeting last Monday with UDOT and WW Clyde in which those numbers have changed. The cost of the project has remained at \$242,000. However, there has been a contingency of \$24,000 added plus a \$19,000 design fee that we will need to pay Logan Simpson Design for their design work. Also, the \$81,000 that was available from the landscaping monies on 1500 South and 2600 South has dwindled to \$54,000 due to items that need to be completed as part of the interchange work. This has increased our cost from \$111,000 to \$181,000, a \$70,000 difference. Given to the Council is a spreadsheet showing the differences between the original estimate and the revised estimate.

“I still feel this is a very vital project for the City considering the proposed development in the K-mart area and the impact the appearance of this interchange will have on it.

“I have discussed with UDOT the possibility of them providing an offset in the cost since our existing landscape has been torn up. However, our air space agreement with UDOT states that UDOT is not liable for any disturbance of the landscaping and they are unwilling to provide any type of adjustment.

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“We can discuss the options before us but I feel we need to proceed with this project.”

	<u>REVISED</u> Estimate	<u>ORIGINAL</u> Estimate
Project Cost	\$242,000	\$242,000
Contingency	\$24,000	
Design Cost	\$19,000	
1500 South Offset	\$(37,000)	\$(40,000)
2600 South Offset	\$(17,000)	\$(41,000)
UDOT Land Purchases	\$(50,000)	\$(50,000)
TOTAL	\$181,000	\$111,000

The Council discussed some of the issues that had come up with the project and issues needed to be addressed. The City Administrator said he would follow up on what was discussed.

SAFETY ACCOUNTABILITY REPORT

The City Administrator continued with the floor and discussed the following:

“Given to the Council is a copy of the November 2014, Executive Safety Accountability Report. There were no incidents during the month of November. We had two management audits, one department safety audit, two department safety meetings, and three safety topics were trained. There are no major items to discuss on this report.”

This concluded his report.

OPEN SESSION

Council Member Hill asked where the city was with Brighton homes. Mr. Stephens said they were working on a development agreement and would be getting back to him soon.

Jackie Page who works with the Youth City Council, would like the City Council to help with their meeting in January. The City Council said they would be happy to help with that meeting.

WASATCH INTEGRATED WASTE REPORT

Council Member Hill said he had nothing to report to the Council at tonight’s meeting.

MOSQUITO ABATEMENT REPORT

Council Member Evans reported that the Mosquito Abatement District held a public hearing on the budget.

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She said the district would be looking for interns to work with the district.

She said they put in their equipment bids for the year.

She also noted there was an election for board officers and the director for the district was approved for a 3% raise.

This concluded her report.

SOUTH DAVIS METRO FIRE AGENCY REPORT

The Mayor noted the South Davis Metro Fire Agency had a public hearing on their budget.

The resolution to the county was put on hold.

There was a presentation made about the 5 deaths occurring this month, all occurred on the same shift and it has been a very rough month. All firemen were appreciative for community support.

The new open confined training facility is now open. It is a first class facility and will be very beneficial to all who will be using it. There are plans in the future for Holley to build a fire station in that area. All the students from Weber State University who were involved in designing of the project were also in attendance and they got accolades at graduation for their contributions to this project.

SOUTH DAVIS RECREATION DISTRICT REPORT

The Mayor noted the recreation district has set the schedule for 2015 and there will be an open house for the budget.

MAYOR'S REPORT

The Mayor again mentioned the Citizens Against Relocation Group in regards to the relocation of the prison, and said he was not anxious to relocate the prison in our backyard. The Council had some discussion on the pros and cons of having a prison in the area and whether the city should be actively involved in the decision. The City Administrator recommended not spending any money on it. The Mayor said he just wanted everyone to be aware of it.

The Mayor met with some of the surrounding cities to discuss the colors that would be used for the underpasses. He said all the cities that would be impacted by the new interchanges needed to coordinate the colors so they are all the same and it would look nice when it is finished.

CITY ADMINISTRATOR'S REPORT

The City Administrator reported the following to the City Council:

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1. Paramedic

“A few weeks ago we had a meeting with the Sherriff, City Managers of South Davis, Layton Fire Department, and Bret Millburn from the County Commission. We discussed the inequity of the paramedic funding for the South Davis area since we are getting less than we are paying through taxes.

The Sherriff, however, is not willing to give up any of his funding because he feels he is justified in the service he provides to the residents in the county. We have agreed to not push for a reallocation of funding, but have asked the Commission to increase the paramedic tax with the new revenues generated by the tax increase allocated through a formula that is more fair to the South Davis Area.

“The Group has agreed to put together a steering committee to help facilitate this change. If the Council is favorable to this approach, we need to designate the Mayor or a member of the Council to serve on this steering committee.

The Mayor said he would volunteer to serve on that committee.

2. FY2014 AUDIT

“The auditors are working on the FY 2014 Audit. It is taking more time than in the past, because with Alan leaving before the books were closed for FY 2014, Brian and I are having to spend a lot more time putting things together. They should have the report ready to present to the Council at the January 6th City Council meeting.

3. I-15 Update

ADJOURNMENT

At 9:00 P.M. Council Member Hill motioned the City Council meeting be adjourned with Council Member Sheldon seconding the motion and all voted for the motion through a roll call vote.

Rick Earnshaw, Mayor

Jessica Sims, City Recorder

CASH DISBURSEMENT

Dec 2 – Dec 26
2014

Jessica Sims, City Recorder

Funds: 1st & 2nd digit of Account Number	Departments: 3rd & 4th digit of Account Number
10 General	1X Assets
51 Water	2X Liabilities
52 Garbage	3X Revenues
21 Class C Roads	41 Legislative
22 Subsurface Storm Drain	42 Judicial
23 Storm Sewer	43 Administration
24 Park Development	46 Data Processing
25 Redevelopment agency	47 Non Departmental
46 Capital Improvement	49 City Attorney
53 Water Impact	51 City Hall
54 Water Revenue Bond	55 Elections
56 Storm Drain Enterprise	57 Community Development
	60 Police
	61 Liquor Law Enforcement
	62 Fire Department
	63 Building Inspection
	66 Animal Control
	67 Volunteer Services
	71 Street Department
	74 Sidewalks, Curd, Gutter
	77 Storm Sewer
	79 City Shops
	83 Parks
	86 Recreation
	90 Transfers

Report Criteria:

Report type: GL detail

Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice GL Account	Amount
8760						
12/18/2014	8760	RAFAEL HUARACA	WDR	6/2013	51-21350	50.00-
12/18/2014	8760	RAFAEL HUARACA	WDR	6/2013	51-37-100	42.47
Total 8760:						7.53-
11937						
12/15/2014	11937	MAUREEN NELSON-PETTY CA	CASH FOR CITY ADMINISTRAT	121014	10-43-620	400.00
Total 11937:						400.00
11981						
12/16/2014	11981	JACKIE PAGE-YCC PETTY CAS	REIMBURSE YCC PETTY CASH	121514	26-40-611	299.25
Total 11981:						299.25
11982						
12/17/2014	11982	MAUREEN NELSON-PETTY CA	CASH FOR CHRISTMAS BONUS	121714	10-43-620	900.00
Total 11982:						900.00
11983						
12/18/2014	11983	THE HILLS AT RENAISSANCE A	PAYMENT OF TAX INCREMENT	121714	25-40-731	265,000.00
Total 11983:						265,000.00
11984						
12/18/2014	11984	LEWIS, YOUNG, ROBERTSON &	CONSULTING IMPACT FEES	121714	53-40-310	2,718.00
12/18/2014	11984	LEWIS, YOUNG, ROBERTSON &	CONSULTING IMPACT FEES	121714	57-40-310	3,768.00
12/18/2014	11984	LEWIS, YOUNG, ROBERTSON &	CONSULTING IMPACT FEES	121714	24-40-310	2,154.00
Total 11984:						8,640.00
11985						
12/19/2014	11985	MICHAEL WILLIAMS	CASE #115301174 FINE OVERP	121714	10-35-100	40.00
Total 11985:						40.00
11986						
12/23/2014	11986	WOODS CROSS CITY	Funds from Angel Tree for person	122214	10-23580	1,636.57
Total 11986:						1,636.57
11987						
12/23/2014	11987	TEXAS ROADHOUSE	LUNCH FOR CHRISTMAS EVE P	122214	10-23550	137.29
Total 11987:						137.29
11988						
12/24/2014	11988	A-1 Uniforms	D. SCHULTZ	36518	10-13110	253.64
12/24/2014	11988	A-1 Uniforms	E. DELOS SANTOS-CLOTHING	36521	10-13110	318.38
Total 11988:						572.02

Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice GL Account	Amount
11989						
12/24/2014	11989	AT&T MOBILITY-6463	CELL PHONE SERVICE	872607077X121720	10-51-280	121.02
Total 11989:						121.02
11990						
12/24/2014	11990	BILL PATTERSON	WATER DEPOSIT REFUND	121514	51-21350	18.91
Total 11990:						18.91
11991						
12/24/2014	11991	BOB TORKELOSON	PLAY SANTA	12.13.2014-01	10-41-610	125.00
Total 11991:						125.00
11992						
12/24/2014	11992	Bountiful City Corp.	Electric Power	115964	51-40-270	32.91
12/24/2014	11992	Bountiful City Corp.	Electric Power	117699	10-47-270	15.72
12/24/2014	11992	Bountiful City Corp.	Electric Power	118088	51-40-270	69.18
12/24/2014	11992	Bountiful City Corp.	Electric Power	118151	10-47-270	15.72
12/24/2014	11992	Bountiful City Corp.	Electric Power	119923	51-40-270	29.17
Total 11992:						162.70
11993						
12/24/2014	11993	BRENT PAGE	PLANNING COMMISSION MEET	4TH QUARTER 201	10-57-230	250.00
Total 11993:						250.00
11994						
12/24/2014	11994	BURT BROTHERS TIRES INC	TIRE	3-100340	10-60-251	41.08
12/24/2014	11994	BURT BROTHERS TIRES INC	OIL CHANGE & LUBE	4-87996	10-60-251	37.28
Total 11994:						78.36
11995						
12/24/2014	11995	CANDLELIGHT HOMES	BOND RELEASE: LOT #207; PE	121514	10-21350	1,000.00
12/24/2014	11995	CANDLELIGHT HOMES	BOND RELEASES FOR VALENT	121614	10-21350	7,000.00
Total 11995:						8,000.00
11996						
12/24/2014	11996	CANON FINANCIAL SERVICES,	METER USAGE CONTRACT CH	14452602	10-51-250	471.86
Total 11996:						471.86
11997						
12/24/2014	11997	CDW GOVERNMENT	BROTHER POCKET JET USB C	RB91355	10-60-251	16.44
Total 11997:						16.44
11998						
12/24/2014	11998	CHILD SUPPORT SERVICES	ADAM OSORO	121914	10-13110	138.46
Total 11998:						138.46
11999						
12/24/2014	11999	Croft Power Equipment	STRING TRIMMER REPAIRS; S	21254	10-83-250	149.39

Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice GL Account	Amount
12/24/2014	11999	Croft Power Equipment	PARTS FOR STRING TRIMMER;	21255	10-83-250	52.95
Total 11999:						202.34
12000						
12/24/2014	12000	CURT OR MICHELLE GARNER	CONSTRUCTION BOND RELEA	122314	10-21350	1,000.00
Total 12000:						1,000.00
12001						
12/24/2014	12001	Curtis Cleaning Systems	CARPET CLEANING IN MULTIP	5513	10-51-620	100.00
Total 12001:						100.00
12002						
12/24/2014	12002	CURTIS POOLE	PLANNING COMMISSION MEET	4TH QUARTER 201	10-57-230	200.00
Total 12002:						200.00
12003						
12/24/2014	12003	DAN BRADFORD	PLANNING COMMISSION	4TH QUARTER 201	10-57-230	200.00
Total 12003:						200.00
12004						
12/24/2014	12004	Davis County Treasurer	WATER SAMPLING	69555	51-40-310	720.00
Total 12004:						720.00
12005						
12/24/2014	12005	ELIZABETH BEE	WATER DEPOSIT REFUND	121514	51-21350	35.57
Total 12005:						35.57
12006						
12/24/2014	12006	FIRSTDIGITAL TELECOM	PHONE SERVICE	2436 12/14	10-51-280	746.96
Total 12006:						746.96
12007						
12/24/2014	12007	GARY SHARP	PLANNING COMMISSION MEET	4TH QUARTER 201	10-57-230	250.00
Total 12007:						250.00
12008						
12/24/2014	12008	Great Basin Turf Products	Lawn Care Products	269225	10-83-260	79.98
Total 12008:						79.98
12009						
12/24/2014	12009	HONEY BUCKET	TOILET RENTAL	2-1088154	10-83-620	88.00
12/24/2014	12009	HONEY BUCKET	TOILET RENTAL	2-1088155	10-83-620	158.00
Total 12009:						246.00
12010						
12/24/2014	12010	Impact Solutions	MONTHLY NETWORK SUPPOR	20141056	10-46-310	1,500.00
12/24/2014	12010	Impact Solutions	MEDIA CARD READERS; NETW	20141058	10-60-455	50.00

Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice GL Account	Amount
12/24/2014	12010	Impact Solutions	2 PRINTERS, 1 MONITOR, CABL	20141059	10-46-745	953.00
Total 12010:						2,503.00
12011						
12/24/2014	12011	Interstate Battery	Batteries	1910401005172	10-60-455	49.90
12/24/2014	12011	Interstate Battery	Batteries for plow trucks	990030744	10-71-250	329.85
Total 12011:						379.75
12012						
12/24/2014	12012	Iron Works	MATERIALS & INSTALL FRAME	5200	10-83-260	350.00
Total 12012:						350.00
12013						
12/24/2014	12013	JACKIE PAGE	YCC ADVISOR	11/2014	26-40-620	150.00
12/24/2014	12013	JACKIE PAGE	YCC ADVISOR	12/2014	26-40-620	150.00
Total 12013:						300.00
12014						
12/24/2014	12014	JENNIFER BASSAREAR	PLANNING COMMISSION MEET	4TH QUARTER 201	10-57-230	250.00
Total 12014:						250.00
12015						
12/24/2014	12015	JUANITA ZAMBRANA	INTERPRETING FOR JP COURT	122314	10-42-621	39.80
Total 12015:						39.80
12016						
12/24/2014	12016	LARRY H. MILLER CHRYSLER J	REPAIRS	281713	10-60-251	2,479.33
Total 12016:						2,479.33
12017						
12/24/2014	12017	Layton Office Supply	Office Supplies	0170326-001	10-60-240	45.98
12/24/2014	12017	Layton Office Supply	Office Supplies	0172128-001	10-60-240	69.98
12/24/2014	12017	Layton Office Supply	Office Supplies	0172194-001	10-43-240	17.98
12/24/2014	12017	Layton Office Supply	Office Supplies	0172245-001	10-60-240	21.99
12/24/2014	12017	Layton Office Supply	Office Supplies	0172269-001	10-60-240	23.95
12/24/2014	12017	Layton Office Supply	Office Supplies	0172322-001	10-60-240	15.46
Total 12017:						147.44
12018						
12/24/2014	12018	LEO BEECHER	PLANNING COMMISSION MTGS	4TH QUARTER 201	10-57-230	300.00
Total 12018:						300.00
12019						
12/24/2014	12019	LINDSAY JARVIS	COURT APPEARANCES AND P	12-17-14	10-49-312	200.00
Total 12019:						200.00
12020						
12/24/2014	12020	MARILYN FORBES	REIMBURSE BUSINESS LICENS	121614	10-32-100	25.00

Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice GL Account	Amount
Total 12020:						25.00
12021						
12/24/2014	12021	MATT TERRY	PLANNING COMMISSION MEET	4TH QUARTER 201	10-57-230	300.00
Total 12021:						300.00
12022						
12/24/2014	12022	MICHELLE WOOD	YCC ASSISTANT ADVISOR	11/2014	26-40-620	100.00
12/24/2014	12022	MICHELLE WOOD	YCC ASSISTANT ADVISOR	12/2014	26-40-620	100.00
Total 12022:						200.00
12023						
12/24/2014	12023	Mountain States Supply Inc	Water Dept. Parts	S101248054.001	56-40-730	953.08
Total 12023:						953.08
12024						
12/24/2014	12024	OFFICE DEPOT	PRINTER, IP100 (2)	744249923001	10-60-251	474.98
12/24/2014	12024	OFFICE DEPOT	PRINTER, IP100 (2)	744250165001	10-60-251	474.98
Total 12024:						949.96
12025						
12/24/2014	12025	Page Electric Service	STREET LIGHT REPAIR	WXCITY14-06	10-47-250	2,552.98
Total 12025:						2,552.98
12026						
12/24/2014	12026	PEHP FLEX PROGRAM	EMPE FLEX CONTRIBUTIONS	121214	10-22400	281.35
Total 12026:						281.35
12027						
12/24/2014	12027	Praxair Distributing	Cylinder Rent	51244754	10-79-250	131.83
Total 12027:						131.83
12028						
12/24/2014	12028	Precision Electronics	CUSTOM JUMPER CABLE	3752	10-60-455	49.95
Total 12028:						49.95
12029						
12/24/2014	12029	PREMIER VEHICLE INSTALLATI	EQUIPMENT 2007 DODGE CHA	17110	10-60-251	112.00
Total 12029:						112.00
12030						
12/24/2014	12030	PUBLIC EMPLOYEES HEALTH P	FT EMPE HEALTH PREMIUMS	12/2014	10-22410	38,911.37
Total 12030:						38,911.37
12031						
12/24/2014	12031	ROCKY MOUNTAIN DOCUMENT	DOCUMENT DESTRUCTION	12015	10-51-250	100.00

Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice GL Account	Amount
Total 12031:						100.00
12032						
12/24/2014	12032	SARA VANLENT	YCC ASSISTANT ADVISOR	11/2014	26-40-620	100.00
12/24/2014	12032	SARA VANLENT	YCC ASSISTANT ADVISOR	12/2014	26-40-620	100.00
Total 12032:						200.00
12033						
12/24/2014	12033	SILVER SPUR CONSTRUCTION	FIRE HYDRANT DEPOSIT REFU	121814	10-21400	3,000.00
Total 12033:						3,000.00
12034						
12/24/2014	12034	Skaggs Company Inc	COREY JORENSEN	2400877	10-13110	143.99
12/24/2014	12034	Skaggs Company Inc	SETH DERETA	2403115	10-13110	196.94
12/24/2014	12034	Skaggs Company Inc	SETH DERETA	2403119	10-13110	203.97
12/24/2014	12034	Skaggs Company Inc	SETH DERETA	2403121	10-13110	11.97-
12/24/2014	12034	Skaggs Company Inc	KEVIN SALMON	2404991	10-13110	31.94
12/24/2014	12034	Skaggs Company Inc	TL SERIES REMOTE SWITCH	2404995	10-60-455	37.99
12/24/2014	12034	Skaggs Company Inc	TL SERIES REMOTE SWITCH	2404998	10-60-455	37.99
Total 12034:						640.85
12035						
12/24/2014	12035	SOUTH FORK HARDWARE-NSL	ICE MELT, BATTERIES, GLOVE	305563	10-83-260	220.75
12/24/2014	12035	SOUTH FORK HARDWARE-NSL	HARWARE AND SUPPLY MATE	305574	10-83-260	14.18
12/24/2014	12035	SOUTH FORK HARDWARE-NSL	GLOVES	306487	10-71-250	11.99
Total 12035:						246.92
12036						
12/24/2014	12036	Staker Paving & Construction	Asphalt Paving	3691375	21-40-410	292.01
Total 12036:						292.01
12037						
12/24/2014	12037	SUNRISE ENGINEERING INC	BUILDING INSPECTIONS	0075571	10-63-310	2,213.54
Total 12037:						2,213.54
12038						
12/24/2014	12038	TODD HANNA	WATER DEPOSIT REFUND	121614	51-21350	23.09
Total 12038:						23.09
12039						
12/24/2014	12039	UNUM LIFE INSURANCE CO. O	ST & LT DISABILITY INSURNAC	1/2015	10-22440	1,270.00
Total 12039:						1,270.00
12040						
12/24/2014	12040	UTAH COMMUNICATION AUTH	MONTHLY RADIO SERVICE	52678	10-60-280	744.00
Total 12040:						744.00

Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice GL Account	Amount
12041						
12/24/2014	12041	UTAH COMMUNICATIONS INC	RADIO/PAGER REPAIRS	109674	10-60-251	82.50
Total 12041:						82.50
12042						
12/24/2014	12042	Utah Correctional Industries	BUSINESS CARDS	57UC0002173	10-60-240	29.95
Total 12042:						29.95
12043						
12/24/2014	12043	Utah Local Government Trust	WORKERS COMP INSURANCE	1495246	10-15620	4,740.81
Total 12043:						4,740.81
12044						
12/24/2014	12044	UTAH MEDIA GROUP	POLICE OFFICER HELP WANTE	I00981724-0910201	10-43-220	369.82
12/24/2014	12044	UTAH MEDIA GROUP	RECORDER/FINANCE DIR HEL	I00981792-0914201	10-43-220	549.83
Total 12044:						919.65
12045						
12/24/2014	12045	VERIZON WIRELESS	POLICE AIR CARDS	9737058936	10-60-280	899.24
Total 12045:						899.24
12046						
12/24/2014	12046	WASTE MANAGEMENT OF UTA	GARBAGE PICK UP FEE	0010355-2514-4	52-40-620	14,868.23
12/24/2014	12046	WASTE MANAGEMENT OF UTA	GREEN WASTE PICK UP	0010355-2514-4	52-40-625	5,350.52
12/24/2014	12046	WASTE MANAGEMENT OF UTA	RECYCLE WASTE PICK UP	0010355-2514-4	52-40-624	9,072.00
Total 12046:						29,290.75
12047						
12/24/2014	12047	William J. Albright	Legal Defender	121014	10-49-312	330.00
Total 12047:						330.00
12048						
12/24/2014	12048	XPRESS BILL PAY LLC	INTERNET PAYMENT TRANSAC	15303	51-40-620	615.80
12/24/2014	12048	XPRESS BILL PAY LLC	INTERNET PAYMENT TRANSAC	15635	51-40-620	661.45
Total 12048:						1,277.25
12049						
12/24/2014	12049	YOUR VALET #1	CLEAN POLICE DEPT UNIFORM	YD46989 12/2014	10-60-450	181.46
Total 12049:						181.46
12050						
12/24/2014	12050	Zions First National Bank	TRUST FEE	9536405 12/2014	54-40-832	2,000.00
Total 12050:						2,000.00
Grand Totals:						390,680.06

Report Criteria:

Report type: GL detail

WOODS CROSS CITY CORPORATION

FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

Together With Independent Auditor's Report

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FINANCIAL SECTION



Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Tyson C. Beck, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
Woods Cross City
Woods Cross City, 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 the City of Woods Cross 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 the City of Woods Cross as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Redevelopment Agency Fund 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, as noted on 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 the 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 inquires 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 the City of Woods Cross's financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund statements 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 basic 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 combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 31, 2014, on our consideration of Woods Cross City's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Woods Cross's internal control over financial reporting and compliance.

Keddington & Christensen

December 31, 2014

**WOODS CROSS CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2014**

As management of Woods Cross City (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2014.

Financial Highlights

- The assets of Woods Cross City exceeded its liabilities at the close of the most recent fiscal year by \$37,183,673 (net position). Of this amount, \$1,871,227 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, Woods Cross City's governmental funds reported combined ending fund balances of \$2,347,130. The unassigned fund balance is \$(372,033).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$292,967, or 6.6% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

Government-wide financial statements

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

- The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, you will also need to consider other non-financial factors.
- The *statement of activities* presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of Woods Cross City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and public works, and parks and recreation. The business-type activities of the City include Water Utility, Garbage Utility, and Storm Drain Fund.

**WOODS CROSS CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2014**

The government-wide financial statements include not only the City itself, but also Woods Cross City Redevelopment Agency (Redevelopment Agency) as a blended component unit. The Redevelopment Agency is a legally separate entity governed by a board appointed by the City Council, consisting of the City Council members. For financial reporting purposes, the Redevelopment Agency is reported as if it was a part of the City's operations because its governing board is the City Council. Therefore, the City Council is financially accountable and has significant influence over the programs, projects, activities, and level of services performed or provided by the Redevelopment Agency.

Fund financial statements

A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- Governmental funds These funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, and Redevelopment Agency Fund, and the Park Development Fund, which are considered to be major funds. Data from the other two governmental funds are combined into a single combined column. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for all its fund types. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

- Proprietary funds Woods Cross City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water utility, Garbage, and Storm Drain funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Utility, Garbage, and Storm Drain Funds, all of which are considered to be major funds of the City.

**WOODS CROSS CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2014**

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the financial statements are located after the statements for major funds as listed in the table of contents.

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found as listed in the table of contents.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$37,183,673 at the close of the most recent fiscal year.

By far the largest portion of Woods Cross City's net position (92%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Woods Cross City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Woods Cross City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 3,876,912	\$ 5,317,601	\$ 1,717,993	\$ 1,405,030	\$ 5,594,905	\$ 6,722,631
Capital assets	21,365,725	19,146,581	18,820,733	15,508,321	40,186,458	34,654,902
Total assets	<u>25,242,637</u>	<u>24,464,182</u>	<u>20,538,726</u>	<u>16,913,351</u>	<u>45,781,363</u>	<u>41,377,533</u>
Long-term liabilities outstanding	499,291	501,642	6,632,778	4,675,456	7,132,069	5,177,098
Other liabilities	695,247	1,277,646	770,374	359,362	1,465,621	1,637,008
Total liabilities	<u>1,194,538</u>	<u>1,779,288</u>	<u>7,403,152</u>	<u>5,034,818</u>	<u>8,597,690</u>	<u>6,814,106</u>
Total deferred inflows of resources	<u>837,580</u>	<u>708,151</u>	<u>-</u>	<u>-</u>	<u>837,580</u>	<u>708,151</u>
Net position:						
Net investment in capital assets	21,071,782	18,787,821	12,230,733	10,876,321	33,302,515	29,664,142
Restricted	552,099	988,564	620,252	203,192	1,172,351	1,191,756
Unrestricted	<u>1,586,638</u>	<u>2,200,358</u>	<u>284,589</u>	<u>799,020</u>	<u>1,871,227</u>	<u>2,999,378</u>
Total net position	<u>\$ 23,210,519</u>	<u>\$ 21,976,743</u>	<u>\$ 13,135,574</u>	<u>\$ 11,878,533</u>	<u>\$ 36,346,093</u>	<u>\$ 33,855,276</u>

An additional portion of Woods Cross City's net position (\$1,172,351) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$1,871,227) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Woods Cross City is able to report positive balances in all three categories of net position for governmental and business-type activities.

**WOODS CROSS CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2014**

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 544,271	\$ 577,114	\$ 2,083,254	\$ 1,859,055	\$ 2,627,525	\$ 2,436,169
Operating grants and contributions	381,559	340,400	-	-	381,559	340,400
Capital grants and contributions	1,108,783	289,688	1,132,972	684,876	2,241,755	974,564
General revenues:						
Property taxes	1,040,500	1,033,852	-	-	1,040,500	1,033,852
Other taxes	2,777,548	2,533,567	-	-	2,777,548	2,533,567
Other	72,959	54,263	6,961	8,080	79,920	62,343
Total revenues	5,925,620	4,828,884	3,223,187	2,552,011	9,148,807	7,380,895
Expenses:						
General government	1,098,858	1,213,021			1,098,858	1,213,021
Public safety	2,342,093	2,315,660			2,342,093	2,315,660
Highways and public works	749,492	316,077			749,492	316,077
Parks and recreation	488,314	730,801			488,314	730,801
Interest on long-term debt	13,087	35,408			13,087	35,408
Water	-	-	1,123,435	1,093,391	1,123,435	1,093,391
Garbage	-	-	639,017	611,428	639,017	611,428
Storm drain	-	-	203,694	146,513	203,694	146,513
Total expenses	4,691,844	4,610,967	1,966,146	1,851,332	6,657,990	6,462,299
Increase in net position before transfers	1,233,776	217,917	1,257,041	700,679	2,490,817	918,596
Transfers	-	-	-	-	-	-
Increase (Decrease) in net position	1,233,776	217,917	1,257,041	700,679	2,490,817	918,596
Net position - beginning of year	21,976,743	21,772,301	11,878,533	11,262,287	33,855,276	33,034,588
Prior Period Adjustment	-	(13,475)	-	(84,433)	-	-
Net position - end of year	\$ 23,210,519	\$ 21,976,743	\$ 13,135,574	\$ 11,878,533	\$ 36,346,093	\$ 33,953,184

Governmental activities. Woods Cross City's total governmental activities net position increased by \$1,233,776. The revenues increased however the expenditures decreased from the prior year. Key elements are as follows:

- Total revenues increased by \$ 1,096,736 (23%). The increase in revenue was largely due to the increase in capital grants and contributions

Business-type activities. Business-type activities increased Woods Cross City's net position by \$1,257,041. As of the end of the current fiscal year, all of the City's business-type funds reported positive net position. Key elements of this increase are as follows:

- Total revenues increased by \$ 671,176 (26%). Increase in revenue was largely due to the increase in capital grants and contributions.
- Total expenses increased by \$ 114,814 (6%), which is mainly due to an increase in salaries, professional & technical fees, and bond issuance costs.

**WOODS CROSS CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2014**

Financial Analysis of the Government's Funds

As noted earlier, Woods Cross City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

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

As of the end of the current fiscal year, Woods Cross City's governmental funds reported combined ending fund balances of \$2,347,130. The unassigned fund balance is \$(372,033). Approximately 92% of the combined ending fund balance or \$2,167,064 is assigned to the capital projects fund, redevelopment agency and storm drain. The remainder of the fund balance is restricted for a variety of other purposes.

The general fund is the chief operating fund of Woods Cross City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$292,967, while total fund balance was \$564,713. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 6.6% of total general fund expenditures, while total fund balance represents 13% of that amount.

The fund balance of Woods Cross City's general fund increased by \$78,329 during the current fiscal year.

Proprietary funds. Woods Cross City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Utility Fund at the end of the year amounted to \$(345,200), for the Garbage Utility Fund, unrestricted net position amounted to \$44,537, and for the Storm Drain Fund, unrestricted net position amounted to \$585,252.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were not significant. Actual revenues were \$63,350 higher than budget revenues. In addition, expenditures were \$172,207 less than budgeted expenditures. The key factor contributing to this variance is as follows:

- Charges for services was higher by approximately \$88,000
- Property tax was higher than anticipated by approximately \$66,000.
- Licenses and permits was lower than anticipated by approximately \$97,000.

Capital Assets and Debt Administration

Capital assets. Woods Cross City's investment in capital assets for its governmental and business-type activities as of June 30, 2014 amounts to \$40,186,458 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities and roads. The total increase in Woods Cross City's investment in capital assets for the current fiscal year was \$5,531,556 (net of depreciation expense).

**WOODS CROSS CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2014**

Major capital asset events during the current fiscal year included the following:

- Mountain View Park – construction in progress
- Redwood Road extension – construction in progress
- Vehicles
- Machinery & equipment
- Infrastructure
- Landscaping
- Water treatment plant & pipeline
- Water system improvements

Capital Assets (Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 9,090,810	\$ 9,090,810	\$ 792,321	\$ 792,321	\$ 9,883,131	\$ 9,883,131
Construction in progress	2,039,610	568,569	2,888,169	64,298	4,927,779	632,867
Buildings	927,706	966,669	-	-	927,706	966,669
Improvements	1,949,687	1,870,614	14,767,207	14,262,268	16,716,894	16,132,882
Machinery & equipment	773,648	542,658	373,036	389,434	1,146,684	932,092
Infrastructure	6,584,264	6,107,261	-	-	6,584,264	6,107,261
Total	\$ 21,365,725	\$ 19,146,581	\$ 18,820,733	\$ 15,508,321	\$ 40,186,458	\$ 34,654,902

Additional information on the City's capital assets can be found in Note 5.

Long-term debt. At the end of the current year, the City had total debt outstanding of \$6,883,943. All of Woods Cross City's debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

Outstanding debt

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
2008 Series RDA Tax Increment Bonds	\$ 230,000	\$ 295,000	\$ -	\$ -	\$ 230,000	\$ 295,000
Capital Lease	63,943	-	-	-	63,943	-
2012 Series Water Refunding Bonds	-	-	4,382,000	4,632,000	4,382,000	4,632,000
2014 Series Water Reveue Bonds	-	-	2,208,000	-	2,208,000	-
Total	\$ 293,943	\$ 295,000	\$ 6,590,000	\$ 4,632,000	\$ 6,883,943	\$ 4,927,000

During the current fiscal year the City's total debt increased by \$1,956,943.

Additional information on the City's long-term debt can be found in Note 7.

Economic Factors and Next Year's Budgets and Rates

- As the economy improves, building will improve and building permits and impact fees will increase
- As the general economy increase it is anticipated that sales tax revenues will increase over the previous years' amounts.

**WOODS CROSS CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2014**

Request for Information

This financial report is designed to provide a general overview of Woods Cross City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Recorder, 1555 South 800 West, Woods Cross, Utah, 84087.

BASIC FINANCIAL STATEMENTS

WOODS CROSS CITY
STATEMENT OF NET POSITION
June 30, 2014

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 1,546,214	\$ 691,890	\$ 2,238,104
Receivables:			
Taxes	1,315,058	-	1,315,058
Accounts net	5,583	222,417	228,000
Internal balances	65,554	(65,554)	-
Prepays	-	14,558	14,558
Restricted assets:			
Cash and cash equivalents	842,305	854,682	1,696,987
Receivables - taxes	102,198	-	102,198
Capital assets not being depreciated:			
Land	9,090,810	792,321	9,883,131
Construction in progress	2,039,610	2,888,169	4,927,779
Capital assets, net of accumulated depreciation:			
Buildings	927,706	-	927,706
Improvements	1,949,687	14,767,207	16,716,894
Machinery, equipment, and vehicles	773,648	373,036	1,146,684
Infrastructure	6,584,264	-	6,584,264
Total Assets	\$ 25,242,637	\$ 20,538,726	\$ 45,781,363

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

WOODS CROSS CITY
STATEMENT OF NET POSITION (Continued)
June 30, 2014

	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	\$ 183,499	\$ 439,445	\$ 622,944
Accrued liabilities	119,344	96,499	215,843
Developer and customer deposits - restricted asset	389,014	234,430	623,444
Accounts payable - restricted asset	3,390	-	3,390
Noncurrent liabilities:			
Due within one year	132,360	297,287	429,647
Due in more than one year	366,931	6,335,491	6,702,422
Total Liabilities	1,194,538	7,403,152	8,597,690
Deferred Inflows of Resources			
Unavailable revenue - property taxes	837,580	-	837,580
Total Deferred Inflows of Resources	837,580	-	837,580
Net Position			
Net investment in capital assets	21,071,782	12,230,733	33,302,515
Restricted for:			
Impact fees	23,670	68,747	92,417
Property tax increment	256,683	-	256,683
Construction	257,894	-	257,894
Law enforcement	13,852	-	13,852
Debt Service	-	551,505	551,505
Unrestricted	1,586,638	284,589	1,871,227
Total Net Position	23,210,519	13,135,574	36,346,093
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 25,242,637	\$ 20,538,726	\$ 45,781,363

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

**WOODS CROSS CITY
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2014**

	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Functions/Programs							
Government Activities							
General governmental	\$ 1,098,858	\$ 291,447	\$ 39,236	\$ -	\$ (768,175)	\$ -	\$ (768,175)
Public safety	2,342,093	249,119	61,379	-	(2,031,595)	-	(2,031,595)
Highways and public improvements	749,492	-	280,944	837,703	369,155	-	369,155
Parks, recreation, and public property	488,314	3,705	-	271,080	(213,529)	-	(213,529)
Interest on long-term debt	13,087	-	-	-	(13,087)	-	(13,087)
Total Governmental Activities	<u>4,691,844</u>	<u>544,271</u>	<u>381,559</u>	<u>1,108,783</u>	<u>(2,657,231)</u>	<u>-</u>	<u>(2,657,231)</u>
Business-type Activities							
Water	1,123,435	1,145,759	-	656,411	-	678,735	678,735
Solid waste	639,017	633,001	-	-	-	(6,016)	(6,016)
Storm drain	203,694	304,494	-	476,561	-	577,361	577,361
Total Business-type Activities	<u>1,966,146</u>	<u>2,083,254</u>	<u>-</u>	<u>1,132,972</u>	<u>-</u>	<u>1,250,080</u>	<u>1,250,080</u>
Total Government	<u>\$ 6,657,990</u>	<u>\$ 2,627,525</u>	<u>\$ 381,559</u>	<u>\$ 2,241,755</u>	<u>(2,657,231)</u>	<u>1,250,080</u>	<u>(1,407,151)</u>
General Revenues							
					1,040,500	-	1,040,500
					2,076,344	-	2,076,344
					701,204	-	701,204
					12,338	6,961	19,299
					20,662	-	20,662
					39,959	-	39,959
					<u>3,891,007</u>	<u>6,961</u>	<u>3,897,968</u>
					1,233,776	1,257,041	2,490,817
					<u>21,976,743</u>	<u>11,878,533</u>	<u>33,855,276</u>
					<u>\$ 23,210,519</u>	<u>\$ 13,135,574</u>	<u>\$ 36,346,093</u>

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

WOODS CROSS CITY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2014

	<u>General</u>	<u>Capital Projects</u>	<u>Redevelopment Agency</u>	<u>Park Development</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Cash and cash equivalents	\$ 108,383	\$ 408,221	\$ 948,370	\$ -	\$ 81,240	\$ 1,546,214
Receivables:						
Taxes	1,051,936	-	263,122	-	-	1,315,058
Accounts - net	5,583	-	-	-	-	5,583
Due from other funds	-	530,554	-	-	200,000	730,554
Restricted assets:						
Cash and cash equivalents	529,569	79,061	-	27,060	206,615	842,305
Receivables	52,130	-	-	-	50,068	102,198
Total Assets	\$ 1,747,601	\$ 1,017,836	\$ 1,211,492	\$ 27,060	\$ 537,923	\$ 4,541,912
Liabilities						
Accounts payable	\$ 183,499	\$ -	\$ -	\$ -	\$ -	\$ 183,499
Accrued liabilities	114,978	-	1,321	-	-	116,299
Developer payable - restricted asset	-	79,061	-	-	-	79,061
Accounts payable - restricted asset	-	-	-	3,390	-	3,390
Due to other funds	-	-	-	665,000	-	665,000
Developer deposits - restricted asset	309,953	-	-	-	-	309,953
Total Liabilities	608,430	79,061	1,321	668,390	-	1,357,202
Deferred Inflows of Resources						
Unavailable revenue - property taxes	574,458	-	263,122	-	-	837,580
Total Deferred Inflows of Resource	574,458	-	263,122	-	-	837,580
Fund Balances						
Restricted						
Impact fees	-	-	-	23,670	-	23,670
Property tax increment	-	-	-	-	256,683	256,683
Construction	257,894	-	-	-	-	257,894
Law enforcement	13,852	-	-	-	-	13,852
Assigned						
Capital projects	-	938,775	-	-	-	938,775
Redevelopment	-	-	947,049	-	-	947,049
Subsurface storm drain	-	-	-	-	81,240	81,240
RAP tax	-	-	-	-	200,000	200,000
Unassigned	292,967	-	-	(665,000)	-	(372,033)
Total Fund Balances	564,713	938,775	947,049	(641,330)	537,923	2,347,130
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 1,747,601	\$ 1,017,836	\$ 1,211,492	\$ 27,060	\$ 537,923	\$ 4,541,912

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

WOODS CROSS CITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2014

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

Total fund balance - governmental funds	\$ 2,347,130
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,365,725
Accrued interest is not recorded in the funds.	(3,045)
Long-term liabilities, including bond payable, are not due and payable in the current period and therefore are not recorded in the funds.	(499,291)
	<hr/>
Net position - governmental activities	<u>\$ 23,210,519</u>

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

WOODS CROSS CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2014

	General	Capital Projects	Redevelopment Agency	Park Development	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 3,447,925	\$ -	\$ 134,201	\$ -	\$ 235,922	\$ 3,818,048
Licenses and permits	197,673	-	-	-	-	197,673
Intergovernmental	381,602	-	-	-	-	381,602
Charges for services	94,836	-	-	-	-	94,836
Fines and forfeitures	249,119	-	-	-	-	249,119
Interest	2,590	3,870	3,825	214	1,796	12,295
Miscellaneous	21,405	-	-	-	1,900	23,305
Total Revenues	4,395,150	3,870	138,026	214	239,618	4,776,878
Expenditures						
Current:						
General government	1,009,265	-	111,725	-	-	1,120,990
Public safety	2,255,557	-	-	-	-	2,255,557
Highways and public works	313,724	-	-	-	-	313,724
Parks and recreation	387,906	-	-	3,390	1,500	392,796
Debt service:						
Principal	23,605	-	65,000	-	-	88,605
Interest	-	-	14,185	-	-	14,185
Capital outlay:						
Public safety	119,256	-	-	-	-	119,256
Highways and public works	300,645	-	20,000	-	-	320,645
Parks and recreation	28,435	1,259,126	-	-	-	1,287,561
Total Expenditures	4,438,393	1,259,126	210,910	3,390	1,500	5,913,319
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,243)	(1,255,256)	(72,884)	(3,176)	238,118	(1,136,441)
Other Financing Sources (Uses)						
Capital contributions	21,572	-	-	127,555	-	149,127
Transfer in	118,000	1,270,000	-	665,000	-	2,053,000
Transfer out	(18,000)	(100,000)	-	(1,535,000)	(400,000)	(2,053,000)
Total Other Financing Sources (Uses)	121,572	1,170,000	-	(742,445)	(400,000)	149,127
Net Change in Fund Balances	78,329	(85,256)	(72,884)	(745,621)	(161,882)	(987,314)
Fund Balance, Beginning	486,384	1,024,031	1,019,933	104,291	699,805	3,334,444
Fund Balance, Ending	\$ 564,713	\$ 938,775	\$ 947,049	\$ (641,330)	\$ 537,923	\$ 2,347,130

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

WOODS CROSS CITY
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 change in fund balances - total governmental funds	\$ (987,314)
Governmental funds have reported capital outlays, past and present, 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.	(597,295)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net position.	1,729,271
The net effect of various miscellaneous transactions involving capital assets (i.e., donations, trade in) is to increase net assets.	999,622
Governmental funds expense capital lease expenditures in the current year, however, those expenditures reduce capital lease liabilities in the statement of net position.	23,605
Repayment of bond principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.	65,000
In the statement of activities, accrued interest on debt is recorded.	(402)
The long term portion of accrued leave does not require the use of current financial resources and therefore is not recorded as an expenditure in the Governmental Funds.	1,289
Change in net position - governmental activities	<u>\$ 1,233,776</u>

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

WOODS CROSS CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND
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>		
Revenues				
Taxes:				
Property	\$ 604,000	\$ 648,000	\$ 670,377	\$ 22,377
Sales and use	2,084,000	2,030,000	2,076,344	46,344
Franchise	655,000	698,000	701,204	3,204
Licenses and permits	294,000	294,500	197,673	(96,827)
Intergovernmental	316,000	367,900	381,559	13,659
Charges for services	4,000	6,500	94,836	88,336
Fines and forfeitures	260,000	260,000	249,119	(10,881)
Interest	6,200	6,000	2,633	(3,367)
Miscellaneous	29,200	16,000	21,405	5,405
Total Revenues	<u>4,252,400</u>	<u>4,326,900</u>	<u>4,395,150</u>	<u>68,250</u>
Expenditures				
Current:				
General government:				
Legislative	59,800	60,800	59,600	1,200
Administrative	242,900	249,500	247,724	1,776
Judicial	207,100	211,000	206,347	4,653
Data processing	38,600	49,100	23,600	25,500
Non-departmental	147,000	151,400	169,608	(18,208)
City Hall	40,400	43,400	41,574	1,826
City attorney	69,000	65,200	57,969	7,231
Community Development	222,700	213,500	229,349	(15,849)
Election	4,000	4,100	4,011	89
Volunteer services	3,000	5,000	3,748	1,252
Total general government	<u>1,034,500</u>	<u>1,053,000</u>	<u>1,043,530</u>	<u>9,470</u>
Public safety:				
Police department	1,695,000	1,702,000	1,691,997	10,003
Liquor law enforcement	11,000	11,000	6,001	4,999
Fire department	524,000	528,500	528,234	266
Building inspection	160,000	128,100	123,270	4,830
Animal control	15,000	15,000	14,651	349
Total public safety	<u>2,405,000</u>	<u>2,384,600</u>	<u>2,364,153</u>	<u>20,447</u>
Highways and public works:				
Streets department	256,800	269,600	252,244	17,356
City shop	49,300	59,300	46,944	12,356
Road repairs and equipment - B&C	325,000	347,000	315,181	31,819
Total public works	<u>631,100</u>	<u>675,900</u>	<u>614,369</u>	<u>61,531</u>
Parks and recreation	438,600	466,400	416,341	50,059
Total Expenditures	<u>\$ 4,509,200</u>	<u>\$ 4,579,900</u>	<u>\$ 4,438,393</u>	<u>\$ 141,507</u>

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

WOODS CROSS CITY
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</u> <u>Amounts</u>	<u>Variance with</u> <u>final budget</u>
	<u>Original</u>	<u>Final</u>		
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (256,800)	\$ (253,000)	\$ (43,243)	\$ 209,757
Other Financing Sources (Uses)				
Capital contributions	-	22,000	21,572	(428)
Transfer in	210,000	216,000	118,000	(98,000)
Transfer out	(18,000)	(24,000)	(18,000)	6,000
Total Other Financing Sources (Uses)	<u>192,000</u>	<u>214,000</u>	<u>121,572</u>	<u>(92,428)</u>
Net Change in Fund Balance	<u>\$ (64,800)</u>	<u>\$ (39,000)</u>	78,329	<u>\$ 117,329</u>
Fund Balance, Beginning			<u>486,384</u>	
Fund Balance, Ending			<u>\$ 564,713</u>	

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

WOODS CROSS CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL –REDEVELOPMENT AGENCY
SPECIAL REVENUE FUND
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>		
Revenues				
Property taxes	\$ 145,000	\$ 145,000	\$ 134,201	\$ (10,799)
Interest	6,000	6,000	3,825	(2,175)
Total Revenues	<u>151,000</u>	<u>151,000</u>	<u>138,026</u>	<u>(12,974)</u>
Expenditures				
Current:				
Redevelopment	128,900	188,900	131,725	57,175
Debt Service:				
Principal payments	65,000	65,000	65,000	-
Interest payments	12,700	12,700	12,685	15
Bond trustee fees	1,500	1,500	1,500	-
Total Expenditures	<u>208,100</u>	<u>268,100</u>	<u>210,910</u>	<u>57,190</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(57,100)</u>	<u>(117,100)</u>	<u>(72,884)</u>	<u>44,216</u>
Net Change in Fund Balance	<u>\$ (57,100)</u>	<u>\$ (117,100)</u>	<u>(72,884)</u>	<u>\$ 44,216</u>
Fund Balance, Beginning			<u>1,019,933</u>	
Fund Balance, Ending			<u>\$ 947,049</u>	

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

WOODS CROSS CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2014

	<u>Water</u>	<u>Solid Waste</u>	<u>Storm Drain</u>	<u>Total Enterprise</u>
Assets				
Current Assets				
Cash and cash equivalents	\$ -	\$ 26,964	\$ 664,926	\$ 691,890
Accounts receivable, net	116,332	63,729	42,356	222,417
Prepaid expenses	14,558	-	-	14,558
Total Current Assets	<u>130,890</u>	<u>90,693</u>	<u>707,282</u>	<u>928,865</u>
Noncurrent Assets				
Restricted assets:				
Cash and cash equivalents	849,682	-	5,000	854,682
Capital assets:				
Land	792,321	-	-	792,321
Construction on progress	2,767,874	-	120,295	2,888,169
Improvements	14,308,782	-	6,907,616	21,216,398
Office furniture and equipment	96,264	-	14,990	111,254
Machinery, equipment, and vehicles	673,307	-	73,090	746,397
Less accumulated depreciation	(3,703,428)	-	(3,230,378)	(6,933,806)
Total Noncurrent Assets	<u>15,784,802</u>	<u>-</u>	<u>3,890,613</u>	<u>19,675,415</u>
Total Assets	<u>\$ 15,915,692</u>	<u>\$ 90,693</u>	<u>\$ 4,597,895</u>	<u>\$ 20,604,280</u>

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

WOODS CROSS CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2014

	<u>Water</u>	<u>Solid Waste</u>	<u>Storm Drain</u>	<u>Total Enterprise</u>
Liabilities				
Current Liabilities				
Accounts payable	\$ 318,400	\$ 405	\$ 120,640	\$ 439,445
Compensated absences	13,287	-	-	13,287
Accrued liabilities	8,021	45,751	1,390	55,162
Accrued interest payable	41,337	-	-	41,337
Due to other funds	65,554	-	-	65,554
Revenue bond payable	284,000	-	-	284,000
Total Current Liabilities	<u>730,599</u>	<u>46,156</u>	<u>122,030</u>	<u>898,785</u>
Noncurrent Liabilities				
Compensated absences	29,491	-	-	29,491
Liabilities payable from restricted assets	93,984	-	-	93,984
Developer and customer deposits - restricted asset	135,446	-	5,000	140,446
Revenue bond payable	6,306,000	-	-	6,306,000
Total Noncurrent Liabilities	<u>6,564,921</u>	<u>-</u>	<u>5,000</u>	<u>6,569,921</u>
Total Liabilities	<u>7,295,520</u>	<u>46,156</u>	<u>127,030</u>	<u>7,468,706</u>
Net Position				
Net invested in capital assets	8,345,120	-	3,885,613	12,230,733
Restricted for:				
Debt service	551,505	-	-	551,505
Impact fees	68,747	-	-	68,747
Unrestricted	(345,200)	44,537	585,252	284,589
Total Net Position	<u>8,620,172</u>	<u>44,537</u>	<u>4,470,865</u>	<u>13,135,574</u>
Total Liabilities and Net Position	<u>\$ 15,915,692</u>	<u>\$ 90,693</u>	<u>\$ 4,597,895</u>	<u>\$ 20,604,280</u>

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

WOODS CROSS CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
POSITION – PROPRIETARY FUNDS
For The Year Ended June 30, 2014

	<u>Water</u>	<u>Solid Waste</u>	<u>Storm Drain</u>	<u>Total Enterprise</u>
Operating Revenues				
Charges for services:				
Metered water sales	\$ 1,123,628	\$ -	\$ -	\$ 1,123,628
Connection and servicing fees	22,131	-	-	22,131
User fees	-	633,001	304,494	937,495
Total Operating Revenues	<u>1,145,759</u>	<u>633,001</u>	<u>304,494</u>	<u>2,083,254</u>
Operating Expenses				
Salaries and wages	197,957	27,367	30,318	255,642
Employee benefits	92,814	12,933	16,806	122,553
Office expense and supplies	21,092	-	365	21,457
Maintenance and repairs	79,969	11,143	-	91,112
General and administrative	38,854	2,411	8,266	49,531
Utilities	63,947	-	-	63,947
Professional services	41,565	1,500	43,479	86,544
Water purchases	15,222	-	-	15,222
Solid waste collection and disposal	-	583,663	-	583,663
Depreciation	313,842	-	85,299	399,141
Miscellaneous	16,771	-	19,161	35,932
Total Operating Expenses	<u>882,033</u>	<u>639,017</u>	<u>203,694</u>	<u>1,724,744</u>
Operating Income (Loss)	<u>263,726</u>	<u>(6,016)</u>	<u>100,800</u>	<u>358,510</u>
Nonoperating Income (Expense)				
Interest income	4,678	129	2,154	6,961
Interest expense	(128,868)	-	-	(128,868)
Bond issuance costs	(95,000)	-	-	(95,000)
Gain (loss) from sale of capital assets	(17,534)	-	-	(17,534)
Total Nonoperating Income (Expense)	<u>(236,724)</u>	<u>129</u>	<u>2,154</u>	<u>(234,441)</u>
Income (loss) before capital contributions	27,002	(5,887)	102,954	124,069
Capital Contributions				
Impact fees	156,042	-	118,824	274,866
Developer contributions	500,369	-	357,737	858,106
Change in Net Position	<u>683,413</u>	<u>(5,887)</u>	<u>579,515</u>	<u>1,257,041</u>
Net Position, Beginning	<u>7,936,759</u>	<u>50,424</u>	<u>3,891,350</u>	<u>11,878,533</u>
Net Position, Ending	<u>\$ 8,620,172</u>	<u>\$ 44,537</u>	<u>\$ 4,470,865</u>	<u>\$ 13,135,574</u>

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

WOODS CROSS CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
For The Year Ended June 30, 2014

	<u>Water</u>	<u>Solid Waste</u>	<u>Storm Drain</u>	<u>Total Enterprise</u>
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 1,114,148	\$ 630,520	\$ 299,815	\$ 2,044,483
Change in customer deposits Increase (Decrease)	7,157	-	(10,094)	(2,937)
Payments to suppliers and service providers	(130,857)	(599,464)	(102,081)	(832,402)
Payments to employees and related benefits	(283,428)	(39,195)	(45,734)	(368,357)
Net cash flows from operating activities	<u>707,020</u>	<u>(8,139)</u>	<u>141,906</u>	<u>840,787</u>
Cash Flows From Non-Capital Financing Activities				
Due to/from other funds	65,554	-	-	65,554
Net cash flows from non-capital financing activities	<u>65,554</u>	<u>-</u>	<u>-</u>	<u>65,554</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition and construction of capital assets	(2,614,202)	-	(46,765)	(2,660,967)
Capital contributions received	156,042	-	118,824	274,866
Proceeds from bonds	2,208,000	-	-	2,208,000
Principal paid on bonds and leases	(250,000)	-	-	(250,000)
Proceeds from construction retention	91,608	-	-	91,608
Cost of bond issuance	(95,000)	-	-	(95,000)
Interest Paid	(156,624)	-	-	(156,624)
Net cash flows from capital and related financing activities	<u>(660,176)</u>	<u>-</u>	<u>72,059</u>	<u>(588,117)</u>
Cash Flows From Investing Activities				
Interest on investments	4,678	130	2,154	6,962
Net cash flows from investing activities	<u>4,678</u>	<u>130</u>	<u>2,154</u>	<u>6,962</u>
Net Increase (Decrease) In Cash and Cash Equivalents	117,076	(8,009)	216,119	325,186
Cash and Cash Equivalents, Beginning	<u>732,606</u>	<u>34,973</u>	<u>453,807</u>	<u>1,221,386</u>
Cash and Cash Equivalents, Ending	<u>\$ 849,682</u>	<u>\$ 26,964</u>	<u>\$ 669,926</u>	<u>\$ 1,546,572</u>

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

WOODS CROSS CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)
For The Year Ended June 30, 2014

	Water	Solid Waste	Storm Drain	Total Enterprise
Reconciliation of operating income to net cash flows from operating activities				
Earnings (loss) from operations	\$ 263,726	\$ (6,016)	\$ 100,800	\$ 358,510
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:				
Depreciation	313,842	-	85,299	399,141
Changes in assets and liabilities				
Accounts receivable, net	(31,611)	(2,481)	(4,679)	(38,771)
Prepaid expenses	(14,558)	-	-	(14,558)
Accounts payable	161,121	(747)	(30,810)	129,564
Compensated absences	(678)	-	-	(678)
Accrued liabilities	8,021	1,105	1,390	10,516
Liabilities payable from restricted assets		-	-	-
Customer deposits	7,157	-	(10,094)	(2,937)
	\$ 707,020	\$ (8,139)	\$ 141,906	\$ 840,787
Net cash flows from operating activities				
	\$ 707,020	\$ (8,139)	\$ 141,906	\$ 840,787
 Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ 500,369	\$ -	\$ 357,737	\$ 858,106
Purchase of vehicles and equipment on account	\$ 89,374	\$ -	\$ 120,640	\$ 210,014

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

WOODS CROSS CITY NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Woods Cross City Corporation is a municipal corporation governed by an elected mayor and a five member council.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The more significant accounting policies established in GAAP and used by the City are discussed below.

(A) The Reporting Entity

The accompanying financial statements present the government and its component units, entities for which the government 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.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations.

The Woods Cross City Redevelopment Agency (RDA) was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. The RDA is governed by a board composed of the members of the City Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the RDA have been included in the financial reporting entity as a blended component unit. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.

WOODS CROSS CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(B) Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's general administrative services, public safety, highways and streets, and the RDA are classified as governmental activities. The City's Water Utility, Solid Waste Utility, and Storm Drain are classified as business-type activities.

The government-wide financial statements (i.e., the *Statement of Net Position* and the *Statement of Activities*) report information on all of the activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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.

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

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

(C) Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

WOODS CROSS CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Property taxes, franchise taxes, licenses, federal grants, 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. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter to be used to pay liabilities of the current period. The City has determined that the period of availability for property tax to be 30 and other taxes to be 60 days. All other revenues are considered to be measurable and available only when cash is received by the City.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures or expenses as appropriate.

The City reports the following major governmental funds:

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

The *Capital Projects Fund* accounts for the financial resources to be used for the acquisition or construction of the major capital facilities of the government (other than those financed by Proprietary funds and Special Revenue funds).

The *Redevelopment Agency Fund* accounts for revenues derived from specific taxes which are designated to finance particular functions of the City.

The City reports the following major proprietary funds:

The *Water Utility Fund* accounts for the activities of the water distribution system of the City.

The *Solid Waste Utility Fund* accounts for the activities of the solid waste collection system of the City.

The *Storm Drain Fund* accounts for the activities of the storm drain system of the City.

Additionally, the City reports the following fund types:

Special revenue funds account for and report the proceeds of specific revenue sources that are the foundation of the fund and are restricted or committed to expenditure for specified purposes other than debt or capital projects. Accounting and financial reporting for general and special revenue funds are identical. The City accounts for the RAP Tax, Subsurface Storm Drain, and Park Development as special revenue funds.

WOODS CROSS CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and solid waste function 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.

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

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

Governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting, while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. As a result, there are important differences between the assets, liabilities, revenues and expense/expenditures reported on the fund financial statements and the government-wide financial statements. For example, many long-term assets and liabilities are excluded from the fund balance sheet but are included in the entity-wide financial statements. As a result there must be a reconciliation between the two statements to explain the differences. A reconciliation is included as part of the fund financial statements.

(D) Budgetary Data

Annual budgets are prepared and adopted, in accordance with the Uniform Fiscal Procedures Act adopted by the State of Utah, by the City Council on or before June 22 for the following fiscal year, beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in several different funds, including the General Fund, Special Revenue Funds and Enterprise Funds. Annual budgets are also adopted for capital projects which may include activities which overlap several fiscal years. The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established at the department level. Each department head is responsible to the Mayor and City Council for operating within the budget for their department. All annual budgets lapse at fiscal year-end.

Utah State law prohibits the appropriation of unreserved General Fund balance until it exceeds 5% of the General Fund revenues. Until the unreserved fund balance is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. When an unreserved fund balance is greater than 25% of the next year's budgeted revenues, the excess must be appropriated within the following two years.

WOODS CROSS CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(D) Budgetary Data (Continued)

Once adopted, the budget can be amended by subsequent City Council action. The City Council can amend the budget to any extent, provided the total expenditures do not exceed the total expenditures per the adopted budget, in which case a public hearing must be held. With the consent of the city manager and finance director, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year.

Budgets for the General Fund, Special Revenue Funds and Capital Projects Fund are prepared on the modified accrual basis of accounting. Encumbrance accounting is not used by the City.

Expenditures in the Capital Projects Fund are budgeted annually on a project-by-project basis. Although it is the intention of the City that each project be funded by a specific revenue source, the adopted budget reflects only total anticipated revenues by source. Since it is not practicable or appropriate to separate revenues and fund balance on a project-by-project basis, the Capital Projects Fund is reported as an individual fund in the accompanying financial statements.

(E) Tax Revenues

On or before June 22 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the tax rate of the previous year, state law requires the City to provide public notice to property owners and hold public hearings. When these special public hearings are necessary, the adoption of the final budget must be done before August 17. All property taxes levied by the City are assessed and collected by Davis County. Taxes are levied as of January 1 and are due November 30; any delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the property, and the amount of taxes and penalties bears interest from January 1 until paid. Tax liens are placed on a property on the January 1 following the due date of unpaid taxes. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from each County on a monthly basis.

Transient room tax, municipal telecommunications tax, and the RAP (Recreation, Arts, and Parks) tax are collected by the State Tax Commission and remitted to the City monthly.

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

(F) Cash and Cash Equivalents

The City considers all cash and investments with original maturities of three months or less to be cash and cash equivalents. For the purpose of the statement of cash flows, cash and cash equivalents are defined as the cash and cash equivalent accounts and the restricted cash and cash equivalents accounts.

Investments, in the form of accounts at the Utah Public Treasurer's Investment Trust (the State Treasurer's Pool), of the City are stated at cost, which approximates fair value.

**WOODS CROSS CITY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(G) Restricted Assets

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Additionally, the City would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

(H) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are, reported in the applicable governmental or business-type activities 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 value at the date of donation. Amortization of capital assets acquired with a capital lease has been included in depreciation expense.

Prior to July 1, 2002, governmental funds' infrastructure assets were not capitalized. These assets (back to June 30, 1980) have been valued at estimated historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives as follows:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Improvements	15-60
Infrastructure	20-50
Machinery and Equipment	7-15
Vehicles	5
Office equipment	5

(I) Compensated Absences

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirements. Sick pay amounts are charged as wages when used. Employees may convert a portion of accrued sick leave to pay each year. If an employee retires as a member of the Utah State Retirement System, one-third of unused sick leave will be used to pay medical insurance premiums.

(J) Long-Term Obligations

In the government-wide financial statements and proprietary fund types, 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, discounts, and issuance costs are deferred and amortized over the life of the applicable 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 while discounts on debt issuances are reported as other financing uses.

WOODS CROSS CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(J) Long-Term Obligations (Continued)

Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(K) Deferred Inflows

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 a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item that qualifies for reporting in this category. The government reports unavailable revenues from property taxes. These amounts are recognized as an inflow of resources in the period that the amounts become available.

(L) Fund equity

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

- (1) *Net investment in capital assets* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) *Restricted net position* – portion of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- (3) *Unrestricted net position* – remaining portion of net position that does not meet the definition of “restricted” or “net investment in capital assets”.

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. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

- (1) *Nonspendable fund balance* classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- (2) *Restricted fund balance* classifications are restricted by enabling legislation. Also reported if, (a) externally imposed by creditor, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- (3) *Committed fund balance* classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

WOODS CROSS CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(L) Fund equity (Continued)

- (4) *Assigned fund balance* Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council (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. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- (5) *Unassigned fund balance* classification is the residual classification for the General Fund or funds with deficit fund balances. This classification represents fund balance that has not been assigned to other funds and that has not be restricted, committed, or assigned to specific purposes within the General Fund.

Proprietary Fund equity is classified the same as in the government-wide statements.

When committed, assigned, or unassigned resources are available for use, it is the City's policy to use committed resources first, followed by assigned resources, and then unassigned resources as they are needed.

(M) Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided, services rendered and for interfund loans or transfers. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Loans are reported as receivables and payables and are classified as "advances to other funds" or "advances from other funds" on the balance sheet of the governmental fund financial statements. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation between the governmental fund statements and the government-wide columnar presentation.

(N) Estimates and Assumptions

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

WOODS CROSS CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 CASH AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Investments are stated at cost, which approximates fair value. Each fund's portion of this pool is displayed on the combined balance sheet as a component of "cash and cash equivalents", "restricted cash and cash equivalents", and "investments", which includes cash accounts that are separately held by several of the City's funds.

The City's deposit and investment policy is to follow the Utah Money Management Act; however, the City does not have a separate deposit and investment policy that addresses specific types of deposit and investment risks to which the City is exposed.

The City's cash and cash equivalents and investments are exposed to certain risks as outlined below:

Custodial credit risk – deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, the balance of deposit accounts exposed to custodial credit risk because it was uninsured and uncollateralized was \$0.

Custodial credit risk – investments is the risk that in the event of the failure of counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City's investment in the Utah Public Treasurer's Investment Fund has no custodial credit risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risks 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 of 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 and Poor's; banker acceptance 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 by the Act.

The City invests in the Utah Public Treasurer's Investment Fund. As of June 30, 2014, the Utah Public Treasurer's Investment Fund was unrated.

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The City has no formal policy relating to specific investment-related interest rate risk. The City manages its exposure by investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity may not exceed the period of availability of the funds to be invested. The weighted average maturity of the City's investments as of June 30, 2014, was less than one year.

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 investment in the Utah Public Treasurer's Investment Fund has no concentration of credit risk.

The City invests in the Public Treasurer's Investment Fund (PTIF) which is a voluntary external Local Governmental Investment Pool managed by the Utah State Treasurer's Office and is audited by the Utah State Auditor. No separate report as an external investment pool has been issued for the PTIF. The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and

**WOODS CROSS CITY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 2 CASH AND INVESTMENTS (Continued)

regulated by the Utah Money Management Act, (Utah Code Title 51, Chapter 7). The PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days.

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated to participants on the ratio of the participant's share to the total funds in the PTIF based on the participant's average daily balance. The PTIF allocates income and issues statements on a monthly basis. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor. Additional information is available at the Utah State Treasures' Office.

For the year ended June 30, 2014, the City had investments of \$3,306,744 with the PTIF. The fair value of these investments was \$3,324,952. As of June 30, 2014 the PTIF fair value factor was 1.005062. The PTIF pool has not been rated.

NOTE 3 ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for doubtful accounts receivable at June 30, 2014 for all funds is \$0.

NOTE 4 RESTRICTED ASSETS

Certain assets are restricted to use as follows as of June 30, 2014:

Future construction	\$	301,571
Recreation, Arts, Parks		206,615
Retainage		173,045
Water system replacement		57,130
Customer/developer deposits		450,399
Unspent bond proceeds		494,375
Law enforcement		13,852
Total restricted cash	\$	<u>1,696,987</u>
Class C road accounts receivable	\$	52,130
Rap tax accounts receivable		50,068
Total restricted accounts receivable	\$	<u>102,198</u>

WOODS CROSS CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2014, is as follows:

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 9,090,810	\$ -	\$ -	\$ 9,090,810
Construction in progress	568,569	1,480,729	(9,688)	2,039,610
Total capital assets, not being depreciated	9,659,379	1,480,729	(9,688)	11,130,420
Capital assets, being depreciated				
Infrastructure	22,409,134	818,597	-	23,227,731
Buildings	1,545,394	-	-	1,545,394
Improvements other than buildings	2,523,618	153,213	-	2,676,831
Machinery, equipment, and vehicles	1,901,873	426,190	(142,271)	2,185,792
Total capital assets, being depreciated	28,380,019	1,398,000	(142,271)	29,635,748
Less accumulated depreciation for				
Infrastructure	(16,301,873)	(341,594)	-	(16,643,467)
Buildings	(578,725)	(38,963)	-	(617,688)
Improvements other than buildings	(653,004)	(74,140)	-	(727,144)
Machinery, equipment, and vehicles	(1,359,215)	(142,599)	89,670	(1,412,144)
Total accumulated depreciation	(18,892,817)	(597,296)	89,670	(19,400,443)
Total capital assets, being depreciated, net	9,487,202	800,704	(52,601)	10,235,305
Governmental activities capital assets, net	<u>\$ 19,146,581</u>	<u>\$ 2,281,433</u>	<u>\$ (62,289)</u>	<u>\$ 21,365,725</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities	
General government	\$ 39,697
Public safety	87,184
Highways and public improvements	373,008
Parks, recreation, and public property	97,407
Total depreciation expense - governmental activities	<u>\$ 597,296</u>

WOODS CROSS CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 CAPITAL ASSETS (Continued)

The Business-type Activities property, plant and equipment consist of the following at June 30, 2014:

	Balance			Balance
	June 30, 2013	Additions	Deletions	June 30, 2014
Business-type Activities				
Capital assets, not being depreciated				
Land	\$ 792,321	\$ -	\$ -	\$ 792,321
Construction in progress	64,298	2,823,871	-	2,888,169
Total capital assets, not being depreciated	856,619	2,823,871	-	3,680,490
Capital assets, being depreciated				
Improvements other than buildings	20,358,292	858,106	-	21,216,398
Machinery and equipment	863,142	47,110	(52,601)	857,651
Total capital assets, being depreciated	21,221,434	905,216	(52,601)	22,074,049
Less accumulated depreciation for				
Improvements other than buildings	(6,096,024)	(353,167)	-	(6,449,191)
Machinery and equipment	(473,708)	(45,974)	35,067	(484,615)
Total accumulated depreciation	(6,569,732)	(399,141)	35,067	(6,933,806)
Total capital assets, being depreciated, net	14,651,702	506,075	(17,534)	15,140,243
Business-type activities capital assets, net	\$ 15,508,321	\$ 3,329,946	\$ (17,534)	\$ 18,820,733

Depreciation expense was charged to functions/programs as follows:

Water	\$ 313,842
Storm Drain	85,299
Total depreciation expense - business-type activities	\$ 399,141

NOTE 6 DEFERRED INFLOWS

In conjunction with GASB pronouncement 33, "Accounting and Financial Reporting for Nonexchange Transactions" the City has accrued property tax receivable and a deferred outflow in the General Fund and Redevelopment Agency in the amounts of \$574,458 and \$263,122, respectively.

Property taxes recorded in the governmental funds are recorded using the modified accrual basis of accounting, wherein revenues are recognized when they are both measurable and available (expected to be received within 30 days). Property taxes attach as an enforceable lien on property as of the first day of January. Taxes are levied on October 1, and then are due and payable at November 30. Since the property tax levied on October 1, 2014 was not expected to be received within 30 days after the year ended June 30, 2014, the City was required to record receivable and deferred inflow of the estimated amount of the total property tax to be levied on October 1, 2014.

WOODS CROSS CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 LONG-TERM DEBT

The following is summary of long-term debt transactions of the City for the year ended June 30, 2014:

	Long-term debt payable at June 30, 2013	Additions	Reductions	Long-term debt payable at June 30, 2014	Due within One Year
Governmental activities					
Series 2008 RDA tax increment	\$ 295,000	\$ -	\$ (65,000)	\$ 230,000	\$ 70,000
Capital lease	-	87,548	(23,605)	63,943	20,227
Total bonds payable	295,000	87,548	(88,605)	293,943	90,227
Compensated absences	206,642	148,296	(149,590)	205,348	42,133
Governmental activity long-term liabilities	\$ 501,642	\$ 323,392	\$ (238,195)	\$ 499,291	\$ 132,360
Business-type activities					
Series 2012 Water Revenue	\$ 4,632,000	\$ -	\$ (250,000)	\$ 4,382,000	\$ 284,000
Series 2014 Water Revenue	-	2,208,000	-	2,208,000	-
Total bonds payable	4,632,000	2,208,000	(250,000)	6,590,000	284,000
Compensated absences	43,456	34,092	(34,770)	42,778	13,287
Business-type activity long-term liabilities	\$ 4,675,456	\$ 2,242,092	\$ (284,770)	\$ 6,632,778	\$ 297,287

Redevelopment Agency Tax Increment Revenue Bonds Series 2008

The Redevelopment Agency Tax Increment Revenue Bonds Series 2008 was issued in January 2008 by the Redevelopment Agency. The \$1,880,000 revenue bonds are due in semi-annual installments through April 15, 2017. The bonds carry an interest rate of 4.30%. The bonds were issued at a discount for \$1,842,400.

The annual debt service requirements to maturity, including principal and interest, for the Tax Increment Revenue Bonds Series 2008, as of June 30, 2014 are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 70,000	\$ 8,385	\$ 78,385
2016	75,000	5,268	80,268
2017	85,000	1,828	86,828
Total	\$ 230,000	\$ 15,481	\$ 245,481

WOODS CROSS CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 LONG-TERM DEBT (Continued)

Water Revenue Refunding Bonds, Series 2012

The Water Revenue Refunding Bonds, Series 2012 was issued in December 2012. The \$4,632,000 revenue bonds are due in semiannual installments through March, 2027. The bonds carry an interest rate of 2.83%. The bonds require no replacement and debt service reserves to be established. The proceeds were used to advance refund the Water Revenue Bonds, Series 2008. The net proceeds, along with \$290,000 from the Series 2008 bonds debt reserve fund, were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service on the refunded bonds. As a result the Water Revenue Bonds, Series 2008 are considered defeased and the liability for those bonds have been removed from the statement of net position. The City advanced refunded the series 2008 bonds to obtain an economic gain of \$115,070.

The annual debt service requirements to maturity, including principal and interest, for the Water Revenue Bonds Series 2012, as of June 30, 2014 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 284,000	\$ 119,992	\$ 403,992
2016	291,000	111,856	402,856
2017	297,000	103,536	400,536
2018	306,000	95,003	401,003
2019	317,000	86,188	403,188
2020-2024	1,728,000	288,942	2,016,942
2025-2027	1,159,000	49,850	1,208,850
Total	\$ 4,382,000	\$ 855,367	\$ 5,237,367

Water Revenue Bonds, Series 2014 A and B

The Water Revenue Refunding Bonds, Series 2014 A and B were issued February 2014. The \$1,225,000 A and \$3,275,000 B revenue bonds are due in annual installments through September 2034. As of June 30, 2014 only \$983,000 of the \$3,275,000 has been issued for the Series B bonds, therefore the balance remaining as of June 30, 2014 for the Water Revenue Refunding Bonds, Series 2014 A and B was \$2,208,000. The bonds carry an interest rate of 0.00%. The bonds require replacement reserves of 5% of the City's annual operating budget, and debt service reserves of \$208,000 to be established evenly over 10 years.

The annual debt service requirements to maturity, including principal and interest, for the Water Revenue Bonds Series 2014, as of June 30, 2014 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 53,973	\$ -	\$ 53,973
2017	53,973	-	53,973
2018	53,973	-	53,973
2019	53,973	-	53,973
2020	53,973	-	53,973
2021-2025	269,865	-	269,865
2026-2030	691,845	-	691,845
2031-2035	976,425	-	976,425
Total	\$ 2,208,000	\$ -	\$ 2,208,000

**WOODS CROSS CITY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 7 LONG-TERM DEBT (Continued)

Capital Leases

The City has entered into certain capital lease agreements under which the related equipment will become the property of the City when the terms of the lease agreement are met. The following is a schedule by year of future minimum lease payments as of June 30, 2014.

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>
2015	23,605
2016	23,605
2017	23,605
Total minimum lease payments	70,815
Less: Amount representing interest	(6,872)
Present value of net minimum lease payments	<u>63,943</u>

Equipment and related accumulated depreciation under capital lease are as follows:

Cost of equipment	\$ 87,548
Accumulated depreciation	\$ -

Pledged Revenues

The City has pledged future tax increment revenues to repay \$1,880,000 in tax increment revenue bonds issued in January 2008 to finance the acquisition of land for housing projects within the 500 West Redevelopment Project Area. The bonds are payable solely from the incremental taxes levied upon certain taxable property in the redevelopment project areas as described in the Redevelopment Act.

The City has pledged future water customer revenues, net of specified operating expenses, to repay water revenue bonds issued in 2012. Proceeds from the Series 2012 Bonds provided financing to refund the Series 2008 Bonds. The bonds are payable solely from water customer net revenues. Annual principal and interest payments on the bonds are estimated to be approximately 45% of net revenues over the life of the bonds.

The City has pledged the net revenues of the water system to fund the Water Revenue Refunding Bonds, Series 2014 A and B.

NOTE 8 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 City participates in the Utah Local Government Trust (a public entity risk pool).

All claims are submitted to the Utah Local Government Trust, which acts as a commercial insurer. The Trust is obligated to pay all claims covered by its plan. All claims are subject to a \$500 deductible. The deductible is accrued as a current liability when the claim is incurred. The Utah Local Government Trust covers claims up to \$2,000,000. The City has not incurred a claim in excess of its coverage for any of the past three fiscal years.

**WOODS CROSS CITY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 9 RETIREMENT PLAN

Cost Sharing Defined Benefits Pension Plans

Plan description: The City contributes to the Local Governmental Contributory Retirement System, the Local Governmental Noncontributory Retirement System, and the Public Safety Noncontributory Retirement System, which are for employers with Social Security coverage, all of which are cost-sharing multiple-employer defined benefit pension plans. These plans are administered by the Utah Retirement Systems (the Systems). The Systems provide retirement benefits, annual cost of living adjustments, death benefits and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

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

Funding policy:

The contribution rates are the actuarially determined rates. The contribution requirements of the systems are authorized by statute and specified by the board. The City is required to contribute a percent of covered salary to the respective systems, as follows:

	<u>Paid by Employer for Employee</u>	<u>Employer Contribution Rate</u>
Contributory System:		
Local Governmental Division Tier 1	6.000%	13.280%
Local Governmental Division Tier 2	-	13.990%
Noncontributory System:		
Local Governmental Division Tier 1	-	17.290%
Public Safety System:		
Other Division A Contributory Tier 2		20.510%
Other Division B Noncontributory Tier 1	-	32.200%

WOODS CROSS CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 RETIREMENT PLAN (Continued)

The contributions were equal to the required contributions for each year. The City's contributions to the plans were as follows:

<u>System</u>	<u>Year Ended June 30,</u>	<u>Employee paid Contributions</u>	<u>Employer paid for Employee Contribution</u>	<u>Employer Contributions</u>	<u>Salary Subject to Retirement Contributions</u>
Contributory System:					
Local Governmental Division Tier 1 and Tier 2					
	2014	\$ -	\$ 4,696	\$ 12,990	\$ 108,813
	2013	-	4,609	11,811	106,837
	2012	-	4,439	7,853	82,309
Noncontributory System:					
Local Governmental Division Tier 1					
	2014	\$ -	\$ -	\$ 127,375	\$ 726,996
	2013	-	-	112,088	690,979
	2012	-	-	98,475	715,141
Public Safety System:					
Other Division A Contributory Tier 2					
	2014	\$ -	\$ -	\$ 3,497	\$ 31,731
	2013	-	-	1,451	13,069
Other Division B Noncontributory Tier 1					
	2014	\$ -	\$ -	\$ 180,096	\$ 650,020
	2013	-	-	182,674	660,226
	2012	-	-	157,397	669,513
Defined Contribution System:					
457 Plan					
	2014	\$ 7,476	\$ 997	\$ -	\$ -
	2013	6,654	15,529	-	-
	2012	10,088	21,071	-	-
401(k) Plan					
	2014	\$ 38,349	\$ 62,786	\$ -	\$ -
	2013	34,493	51,047	-	-
	2012	35,194	52,784	-	-
Roth IRA Plan					
	2014	\$ 11,250	\$ -	\$ -	\$ -
	2013	11,749	-	-	-
	2012	15,147	-	-	-

457 Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

401(k) Defined Contribution Plans

The City sponsors a defined contribution plan under Internal Revenue Code 401(k) through the Utah State Retirement Systems. Contributions may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. The 401(k) defined contribution monies are not available to the City or its general creditors. Therefore, no assets or liabilities of the 401(k) defined contribution plan are reflected in the financial statements.

**WOODS CROSS CITY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 10 COMMITMENTS AND CONTINGENCIES

The City has approximately \$2,521,000 to pay in an outstanding construction commitment to complete the construction of the Drinking Water Treatment facility.

NOTE 11 REDEVELOPMENT AGENCY

In accordance with Utah Code Section 17C-1-605(1), the City's Redevelopment Agency is required to disclose the following information for fiscal year 2014:

The tax increment collected by the Agency for each project area is as follows:

<u>Project Area</u>	<u>2014</u>
500 South Project	\$ 134,201
Total increment received	<u>\$ 134,201</u>

The Agency expended amounts in the following areas:

Amounts expended for:

Administrative costs	\$ 111,725
Property acquisitions and site improvements	20,000
Debt service costs	<u>79,185</u>
Total amounts expended by RDA	<u>\$ 210,910</u>

Outstanding bonds and loans to finance RDA projects	<u>\$ 245,481</u>
---	-------------------

NOTE 12 DUE TO/FROM

The composition of inter-fund balances as of June 30, 2014 is as follows:

<u>Due to Other Funds - Payable</u>	<u>Due from Other Funds - Receivable</u>		
	<u>RAP Tax</u>	<u>Capital Projects</u>	<u>Total</u>
Park development	\$ 200,000	\$ 465,000	665,000
Water	-	65,554	65,554
	<u>\$ 200,000</u>	<u>\$ 530,554</u>	<u>\$ 730,554</u>

Long term inter-fund balances as of June 30, 2014 is as follows:

During the year the capital project fund loaned the park development fund \$465,000. This is expected to be paid back over 5 years at a 3% interest rate. During the year the RAP tax fund loaned the park development fund \$200,000. This is expected to be paid back over 5 years at a 3% interest rate.

**WOODS CROSS CITY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 13 TRANSFERS

During the year transfers were made which will not be repaid. These transfers occurred primarily to finance programs, accounted for in one fund, with resources collected in other funds, in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2014 are as follows:

	In	Out
Governmental:		
General Fund	\$ 118,000	\$ 18,000
Capital Projects	1,270,000	100,000
Parks Development	665,000	1,535,000
RAP Tax Fund	-	400,000
Total Governmental	\$ 2,053,000	\$ 2,053,000

NOTE 14 CONDUIT DEBT OBLIGATIONS

During the year ended June 30, 2005, the City issued industrial development bonds to provide financial assistance to a private-sector entity for the acquisition, construction, and furnishings of manufacturing facilities and related improvements deemed to be in the public interest. The bonds are secured by the property financed and are payable solely by the private-sector entity. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2014, there is only one series of industrial development bonds issued and outstanding. The original issue amount was \$3,605,000.

NOTE 15 JOINT VENTURE IN SOUTH DAVIS METRO FIRE AGENCY

South Davis Metro Fire Agency was created pursuant to an Interlocal Agreement, entered into among Bountiful City, Centerville City, Davis County, North Salt Lake, West Bountiful City, and Woods Cross City, to provide consolidated fire and emergency medical services in the area boundaries as defined by the agreement. Upon formation of the Agency, participants that provided the Agency with fire station buildings or other real property or equipment, maintained individual ownership of the property. The Agency owns all property it acquires. Each participant pays its proportionate share of the Agency's costs, which are allocated among participants based on the assessed value of property within each participant's municipal boundaries. In addition, participants (excluding Bountiful City) have adopted a uniform capital facilities plan and uniform impact fee ordinance for fire and emergency services and remit all such fees to the Agency. Assessments and all impact fees are used for operational costs, debt services, risk management insurance, equipment, and new fire stations, as appropriate. During the year ended June 30, 2014, the City paid assessments of \$528,234 and impact fees of \$26,625 to South Davis Metro Fire Agency. A copy of the South Davis Metro Fire Agency audited financial statements may be obtained by writing to the Agency at 255 South 100 West, Bountiful, UT 84010.

SUPPLEMENTAL INFORMATION

**WOODS CROSS CITY
 COMBINING BALANCE SHEET – NONMAJOR
 GOVERNMENTAL FUNDS
 June 30, 2014**

	<u>Special Revenue Fund</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Subsurface Storm Drain</u>	<u>RAP Tax</u>	
Assets			
Cash and cash equivalents	\$ 81,240	\$ -	\$ 81,240
Due from other funds	-	200,000	200,000
Restricted assets:			
Cash and cash equivalents	-	206,615	206,615
Taxes Receivable	-	50,068	50,068
Total Assets	<u>\$ 81,240</u>	<u>\$ 456,683</u>	<u>\$ 537,923</u>
Fund Balances			
Restricted			
Property tax increment	-	256,683	256,683
Assigned	<u>81,240</u>	<u>200,000</u>	<u>281,240</u>
Total Fund Balances	<u>\$ 81,240</u>	<u>\$ 456,683</u>	<u>\$ 537,923</u>

WOODS CROSS CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2014

	<u>Special Revenue Fund</u>		Total Nonmajor Governmental Funds
	<u>Subsurface Storm Drain</u>	<u>RAP Tax</u>	
Revenues			
Taxes	\$ -	\$ 235,922	\$ 235,922
Interest	313	1,483	1,796
Miscellaneous	1,900	-	1,900
Total Revenues	<u>2,213</u>	<u>237,405</u>	<u>239,618</u>
Expenditures			
Parks and recreation	-	1,500	1,500
Total Expenditures	<u>-</u>	<u>1,500</u>	<u>1,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,213</u>	<u>235,905</u>	<u>238,118</u>
Other Financing Sources (Uses)			
Transfer out	-	(400,000)	(400,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(400,000)</u>	<u>(400,000)</u>
Net Change in Fund Balances	2,213	(164,095)	(161,882)
Fund Balance, Beginning	<u>79,027</u>	<u>620,778</u>	<u>699,805</u>
Fund Balance, Ending	<u>\$ 81,240</u>	<u>\$ 456,683</u>	<u>\$ 537,923</u>

**WOODS CROSS CITY
WOODS CROSS, UTAH**

SUPPLEMENTARY REPORTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**WOODS CROSS CITY
SUPPLEMENTARY REPORTS
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Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Tyson C. Beck, CPA

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

Honorable Mayor and
Members of the City Council
City of Woods Cross
Woods Cross, Utah

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Woods Cross, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Woods Cross's (the City) basic financial statements, and have issued our report thereon dated December 31, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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* and therefore, *material weaknesses* or *significant deficiencies* may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and recommendations that we consider to be a *material weakness*.

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. We consider the deficiencies described in the accompanying schedule of findings and recommendations to be material weaknesses.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and recommendations.

City's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and recommendations. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Keddington & Christensen, LLC

December 31, 2014



Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Tyson C. Beck, CPA

**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, AND
INTERNAL CONTROL OVER COMPLIANCE**

Honorable Mayor and
Members of the City Council
City of Woods Cross
Woods Cross, Utah

Report on Compliance

We have audited the City of Woods Cross'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 City 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 Courts	URS Compliance
Transfers, loans, & services from Enterprise Funds	Government Records Access Management Act
Budget Notice and Format	Open and Public Meetings Act

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

Drinking Water Board Loan Series 2014 (A) and (B) (Utah Department of Environmental Quality)

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.

Auditor's Responsibility

Our responsibility is to express an opinion on Woods Cross City'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 could have a direct and material effect on the City and its major programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on General State Compliance Requirements and Each Major State Program

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

Other Matters

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

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and recommendations. The City'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 the City 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 the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our 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 the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a 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 weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and recommendations that we consider to be a significant deficiency.

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 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, each major fund, and the aggregate remaining fund information of the City 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. We issued our report thereon dated December 31, 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.

Keddington & Christensen, LLC

December 31, 2014

**WOODS CROSS CITY
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For The Fiscal Year Ended June 30, 2014**

MATERIAL WEAKNESSES

Financial Statement Preparation

Finding

The city does not prepare the financial statements in accordance with Governmental Accounting Standards Board Statement (GASB) No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. The City relies on the financial statement audit procedures to identify certain necessary adjustments, reclassifications, and disclosures to produce financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

Management's Response

The City will continue to use its auditors to assist in the preparation of its GASB 34 financial statements.

Material Adjustments

Finding:

During our audit we noted that there were various accounting areas within the Water, Storm Drain, and General funds and governmental activities on the government-wide statements that needed material audit adjustments in order to be compliant with GAAP. These areas included: capitalizing of construction in progress expenses, accrual of year end construction and engineering costs, recording of bond proceeds into the cash account with associated long-term debt, recording of expenses for bond costs of issuance, recording of capital lease debt and asset, recording of developer contributed assets, and the accrual of all the payroll salaries and wages. It appears that this fund's accounting was not reviewed for adherence to these accounting principles. The lack of a proper review leaves the fund's financial statements materially misstated and not in compliance with GAAP.

Recommendation:

We recommend that a review of the City's yearend accounting be implemented by an individual adequately trained to ensure the fund accounting is compliant with GAAP.

Management's Response

Due to an unexpected illness, the individual normally responsible for ensuring the fund accounting was compliant with GAAP was unable to fulfill his duties prior to the closing of FY 2014. The City has since hired another individual to fulfill those duties and will ensure the fund accounting is compliant with GAAP.

STATE COMPLIANCE

Government Records Access Management Act (GRAMA) (Significant Deficiency)

Finding

Utah Code section 63G-2-108 stipulates that: "Each records officer of a governmental entity or political subdivision shall, on an annual basis, successfully complete online training and obtain certification from state archives in accordance with Section 63A-12-110". During our audit it was noted that the City's designated records officer did not complete the required annual training for the fiscal year ended June 30, 2014. It appears that the City has not implemented a procedure to ensure its records officer has annually completed the required online training regarding GRAMA requirements.

Recommendation:

We recommend that the City create and implement a procedure to ensure its records officer obtains the annual records officer online training certification.

Management's Response

The City has established a procedure to ensure its records officer obtains the annual records officer online training certificate by January 31st of each year.

WOODS CROSS CITY
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For The Fiscal Year Ended June 30, 2014

Negative Fund Balance (Significant Deficiency)

Finding

The State Auditor's *State Compliance Audit Guide* stipulates that the City must maintain: "a positive fund balance for all funds at year end". During our audit it was noted that the City's Park Development fund had a deficit fund balance position of \$641,330 at June 30, 2014.

Recommendation:

We recommend that the City work to restore the Park Development fund balance to a positive balance in order to be compliant with State law.

Management's Response

The Park Development fund has a negative balance due to the implementation of inter-fund loans rather than inter-fund transfers. These loans will be negated and inter-fund transfers will be made to bring the Park Development fund back into a positive balance.

Expenditures in Excess of Budget (Significant Deficiency)

Finding

The State Auditor's *State Compliance Audit Guide* states that a city's "total expenditures by fund [must] not exceed the amounts appropriated in the final adopted budget." During our audit we noted that the Water Fund had total expenditures that exceeded total appropriations in the fund by \$64,600 at June 30, 2014.

Recommendation:

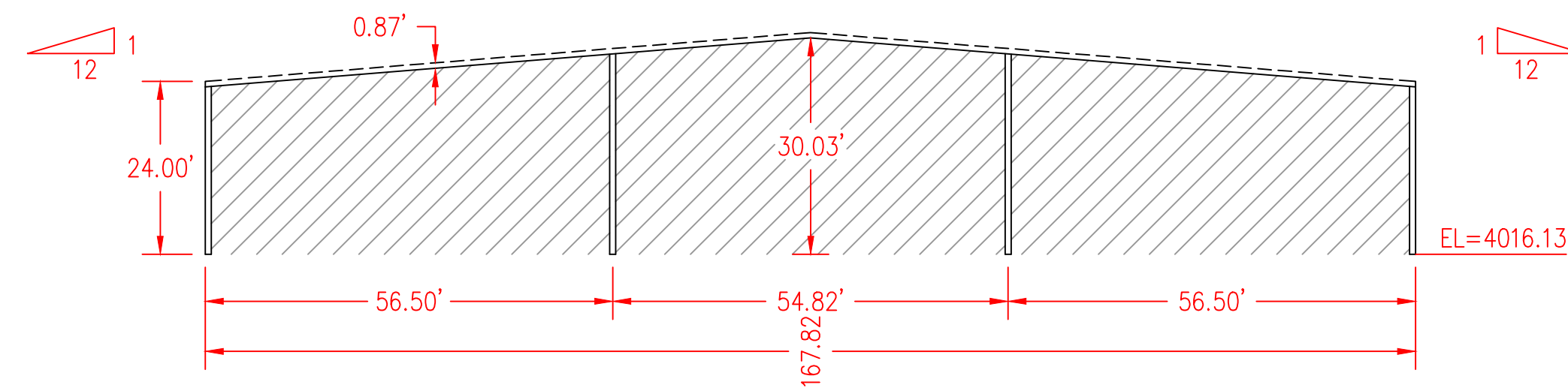
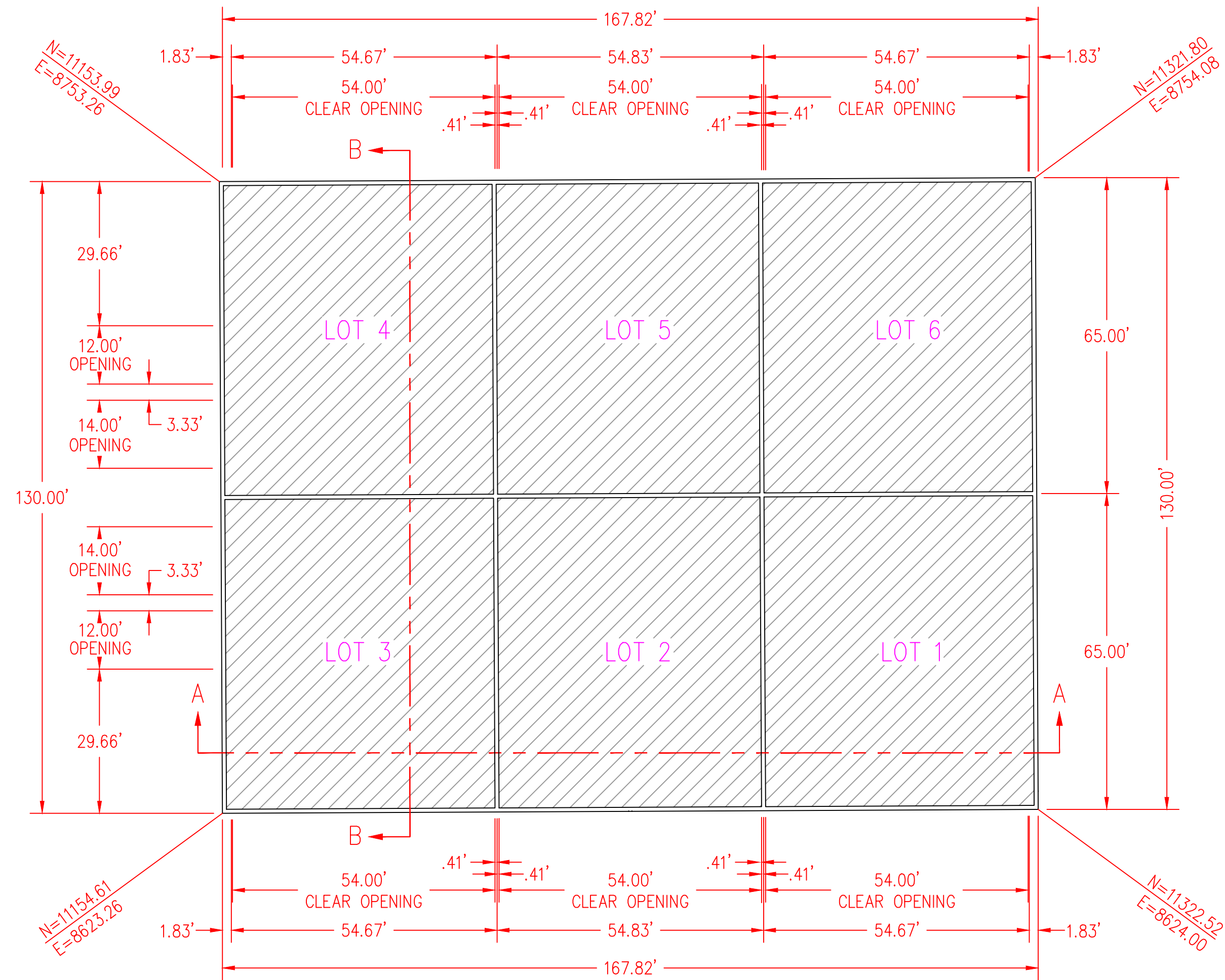
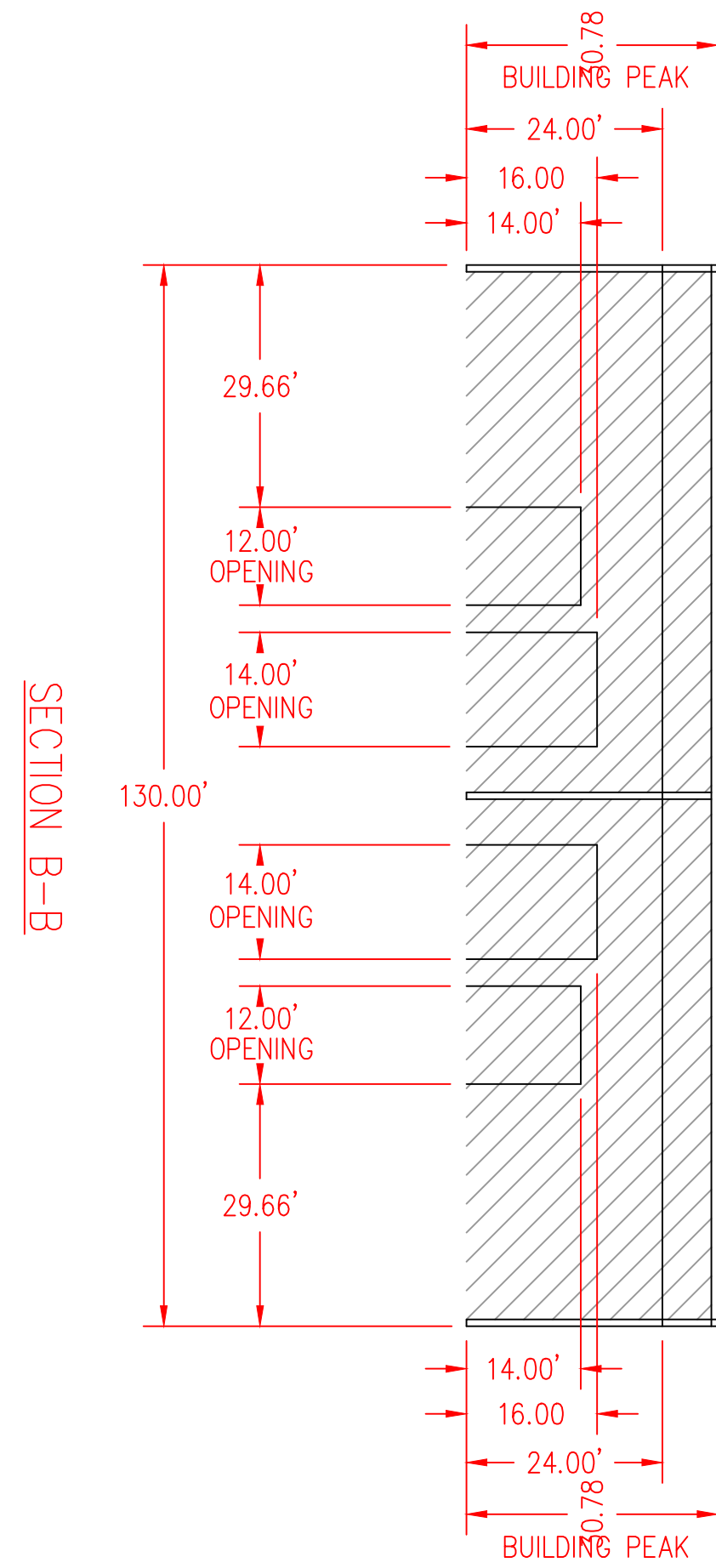
We recommend that the City closely monitor expenditures in the funds to ensure the City is in compliance with Utah State Code.

Management's Response

The City will more closely monitor expenditures in the Funds to ensure that total expenditures do not exceed the amount appropriated in the final adopted budget.

WOODS CROSS CITY
SCHEDULE OF STATE EXPENDITURES OF STATE AWARDS
For The Year Ended June 30, 2014

Grant Name	Award/Contract # (if applicable)	Year Subject to Audit	Expenditures
<u>UTAH DEPARTMENT OF TRANSPORTATION</u>			
B&C Road Funds	n/a	FY 2013	\$ 280,944
Subtotal - Utah Department of Transportation			<u>280,944</u>
<u>UTAH STATE TAX COMMISSION</u>			
Alcohol Control Funds	n/a		6,487
Subtotal - Utah State Tax Commission			<u>6,487</u>
<u>UTAH DEPARTMENT OF ENVIROMENTAL QUALITY</u>			
Drinking Water Board Loan	Series 2014(B) Bond	FY 2014	952,000
Drinking Water Board Loan	Series 2014(A) Bond	FY 2014	1,225,000
Subtotal - Utah Department of Environmental Quality			<u>2,177,000</u>
<u>UTAH DEPARTMENT OF NATURAL RESOURCES</u>			
Division of Wildlife Resources - Angling Grant	# 142171		400
Subtotal - Utah Department of Natural Resources			<u>400</u>
<u>UTAH DEPARTMENT OF PUBLIC SAFETY</u>			
JAG Grant	13A		7,233
Highway Safety Office - DUI Overtime Reimbursement	PA141004		3,678
Subtotal - Utah Department of Public Safety			<u>10,911</u>
Total Grant, Contract, and Loan Fund Expenditures			<u><u>\$ 2,475,742</u></u>



LEGEND

- PRIVATE OWNED AREA
- COMMON AREA

OWNERS DEDICATION

Know all men by these presents that Ron Blue, the undersigned owner(s) of the herein described tract of land having caused the same to be subdivided into lots to be hereafter known as

SKYPARK INDUSTRIAL PARK PHASE V

do hereby dedicate as private streets intended for the use of the public as well as the Skypark Industrial Park association. The undersigned owners also hereby convey to any and all public utility companies a perpetual, non-exclusive easement over the public utility easements shown on this plat, the same to be used for the installation, maintenance and operation of utility lines and facilities. The undersigned owners also hereby convey any other easements as shown on this plat to the parties indicated and for the purposes shown hereon.

Neon Blue Development Inc.
Ron Blue (President)

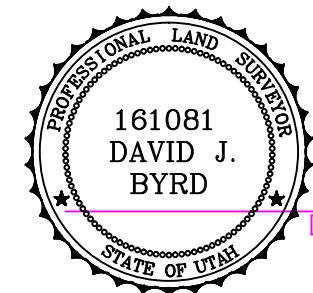
CORPORATE ACKNOWLEDGMENT

On this _____ day of _____ A.D., 20____, personally appeared before me, the undersigned Notary Public, who duly being sworn did say that he/she is the authorized _____ and that forgoing consent to dedicate was signed in behalf of _____, a Utah Corporation, by authority of its bylaws or by resolution of its Board of Directors, and that said Company fully acknowledges said consent to dedicate.

My Commission expires: _____
RESIDING IN DAVIS COUNTY NOTARY PUBLIC
RESIDING IN DAVIS COUNTY

SURVEYOR'S CERTIFICATE

I, David J. Byrd, do hereby certify that I am a professional Land Surveyor holding Certificate No. 161081 as prescribed under the laws of the State of Utah. I further certify that by authority of the Owners, I have made a survey of the tract of land shown on this Plat and described below, and have subdivided said tract of land into lots and streets hereafter to be known as Skypark Industrial Park Phase V and that the same has been correctly surveyed and staked on the ground as shown on this plat.



BOUNDARY DESCRIPTION

All of Lot 68, Skypark Industrial Park, and all of Lot 1 of Skypark Industrial Park Phase IV, according to the official plats thereof, more particularly described as follows:

Beginning at the Southeast Corner of Lot 68 Skypark Industrial Park Subdivision, said point being North 89°40'00" East 1330.82 feet along the section line and South 0°16'29" East 1314.87 feet along the east line of said Skypark Industrial Park Subdivision from the northwest Corner of Section 35, Township 2 North, Range 1 West, Salt Lake Base and Meridian, and running; thence South 0°16'29" East 127.49 feet along the east line of said Skypark Industrial Park Subdivision to the southeast corner of Lot 1 of Skypark Industrial Park Phase IV, which is also the north line of Lot 2 in said subdivision; thence South 89°43'31" West 251.82 feet along the north line of said Lot 2 of Skypark Industrial Park Phase IV in said subdivision to the southwest corner of said lot 1 in said subdivision; thence North 00°16'29" West 247.49 feet along the west line of said Lot 1 and Lot 68 in said subdivision along the centerline of 1640 West street; to the north line of said Lot 68; thence North 89°43'31" East 251.82 feet along said north line; thence South 00°16'29" East 120.00 feet along the east line of said lot 68 in said subdivision to the point of beginning. Property contains 1.43 acres more or less.

QUESTAR APPROVAL

Questar approves this plat solely for the purposes of approximating the location boundaries, course and dimensions of its right-of-way and easements and its existing facilities. This approval shall not be construed to warrant or verify the precise location of such items. The rights-of-way and easements are subject to numerous restrictions appearing on the recorded right-of-way and easement grant(s) or by prescription. Questar may require additional easements in order to serve this development. This approval does not constitute abrogation or waiver of any other existing rights, obligations of liabilities including prescriptive rights contained in the plat, including those set forth in the owners dedication or the notes, and does not constitute a guarantee of particular terms or conditions of natural gas service, for further information related to allowed activities within rights of way, please contact Questar right-of-way department at 1-800-366-8532.

Approved this _____ day of _____, 2014
Questar Gas Company

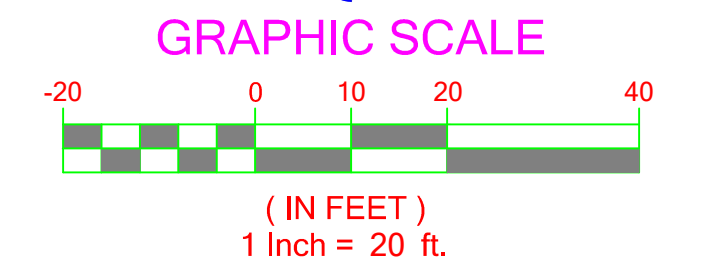
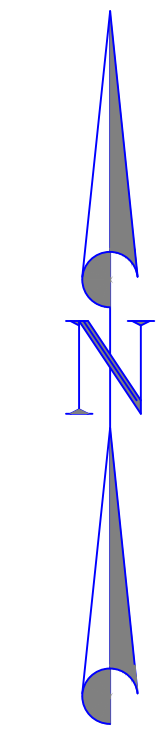
By _____
Title _____

SKYPARK INDUSTRIAL PARK PHASE V

A CONDOMINIUM PROJECT

AMENDING LOT 68 OF SKYPARK INDUSTRIAL PARK AND EASEMENTS THEREIN AND LOT 1 OF SKYPARK INDUSTRIAL PARK PHASE IV AND EASEMENTS THEREIN
A PORTION OF THE NORTHWEST 1/4 OF SECTION 35, T2N. R1W. SLB&M.
WOODS CROSS CITY, DAVIS COUNTY UTAH

PRIVATE OWNED AREA
COMMON AREA



IMPORTANT NOTICE

Many areas in Woods Cross have groundwater problems due to a seasonably high (fluctuating) water table. There are also areas where soil conditions may warrant additional construction measures. Approval of this plat does not constitute representation by the City that buildings at any specified elevation will solve ground water problems or that the soils are suitable for construction. Solution of water or soil problems is the sole responsibility of the permit applicant and the property owner.

NOTE

Subject to and together with the rights, privileges and conditions as contained in that certain declaration of covenants, conditions and restrictions dated August 3, 1979 and recorded October 15, 1979, as entry no. 547439, in book 796, at page 412 of the official records.

P.O.B SE COR LOT 68
FOUND REBAR AND CAP BALLING ENG. (ACCEPTED)
N.112037.51 E.103827.31

BASIS OF BEARINGS

North 00°23'18" West between the West quarter corner and the Northwest corner of Section 35, Township 2 North, Range 1 West, Salt Lake Base and Meridian.

NARRATIVE

The purpose of this plat is to amend Lot 68 of Skypark Industrial Park and Lot 1, Skypark Industrial Park Phase IV, according to the



NOT TO SCALE

A PORTION OF THE NORTHWEST 1/4 OF SECTION 35, R2N. R1W. SLB&M

N.113344.63
E.102490.21

FOUND NORTHWEST CORNER SECTION 35, T2N, R1W, SLB&M.

N.11084.74
E.8811.67

N00°23'18"W 2628.99' (MEAS.)
BASIS OF BEARINGS
1640 WEST (PRIVATE ROADWAY)

FOUND REBAR AND CAP BALLING ENG. (ACCEPTED)

N.110715.70
E.102508.03

FOUND WEST 1/4 CORNER SECTION 35, T2N, R1W, SLB&M.
FOUND NAIL MARKING CORNER, LOCATION VERIFIED BY TIES.

N.11085.89
E.8564.19

EXISTING ASPHALT

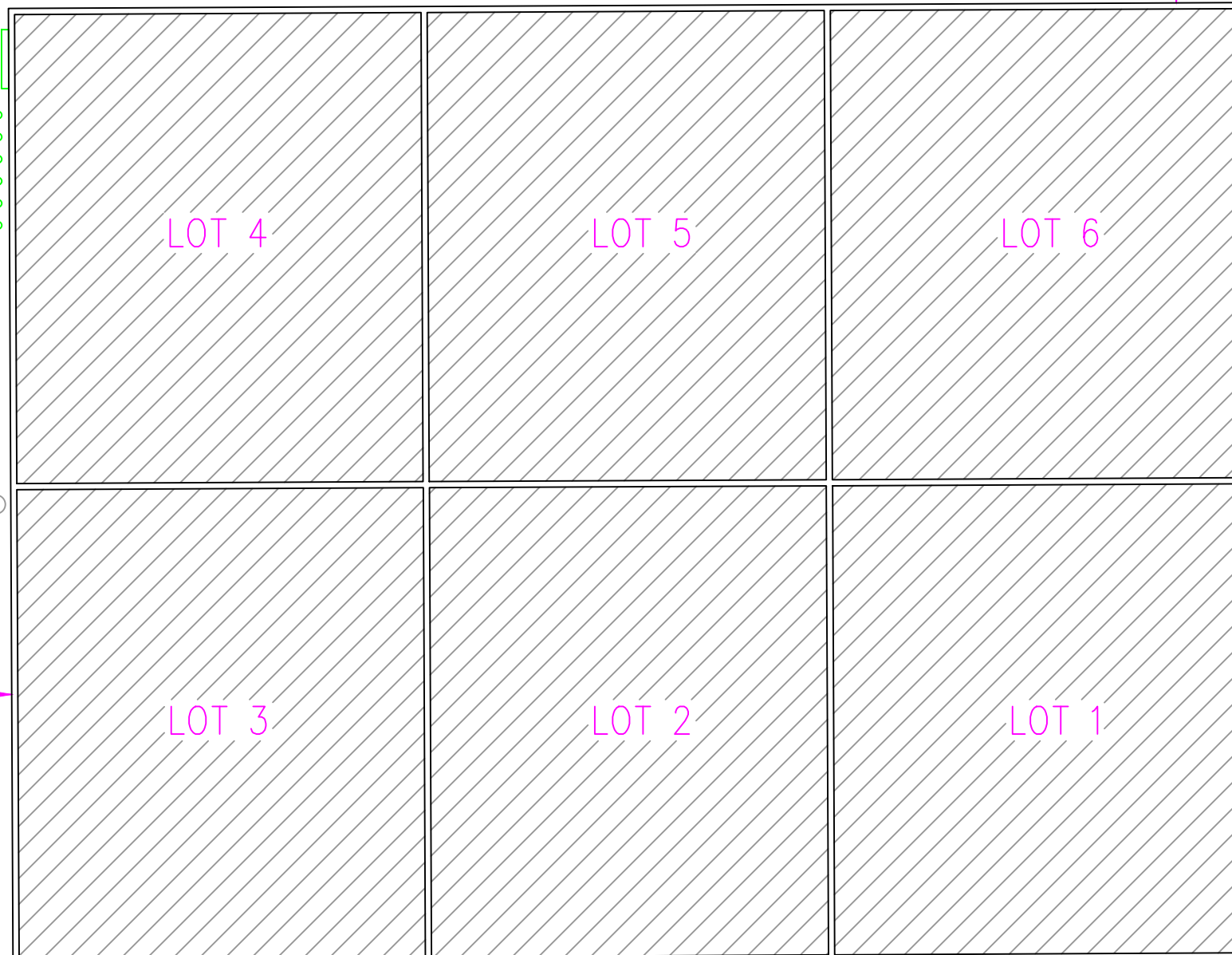
EXISTING CONCRETE

10' PUE EASEMENT

N00°16'29"W

12' R.O.W. EASEMENT FOR USE OF NEON BLUE DEVELOPMENT INC.

N00°16'29"E



PURPOSED 6FT VINYL FENCE

12' R.O.W. EASEMENT FOR USE OF NEON BLUE DEVELOPMENT INC.

EXISTING BUILDING

Byrd & Associates L.L.C.
Engineers & Land Surveyors
505 South Main Street
Bountiful, Utah 84010
Phone (801)-292-0400
Fax (801)-292-8216

CITY ATTORNEY APPROVAL
APPROVED THIS _____ DAY OF _____, 20____, BY THE WOODS CROSS CITY ATTORNEY.
WOODS CROSS CITY ATTORNEY

CITY ENGINEER APPROVAL
I HEREBY CERTIFY THAT THIS OFFICE HAS EXAMINED THIS PLAT. IT IS CORRECT IN ACCORDANCE WITH THE INFORMATION ON FILE IN THIS OFFICE.
DATE _____ WOODS CROSS CITY ENGINEER

PLANNING COMMISSION APPROVAL
APPROVED THIS _____ DAY OF _____, 20____, BY THE WOODS CROSS CITY PLANNING COMMISSION.
PLANNING COMMISSION CHAIRMAN

CITY COUNCIL APPROVAL
PRESENTED TO THE WOODS CROSS CITY COUNCIL THIS _____ DAY OF _____, 20____, AT WHICH TIME IT WAS APPROVED.
ATTEST: CITY RECORDER _____ MAYOR _____

COUNTY RECORDER
STATE OF UTAH COUNTY OF DAVIS
RECORDED AND FILED AT THE REQUEST OF _____
ENTRY NO. _____ BOOK NO. _____ PAGE NO. _____
FILED THIS _____ DAY OF _____, 20____, AT _____ PM
COUNTY RECORDER

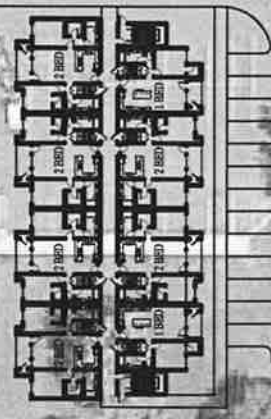
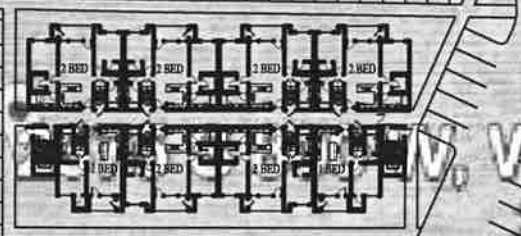
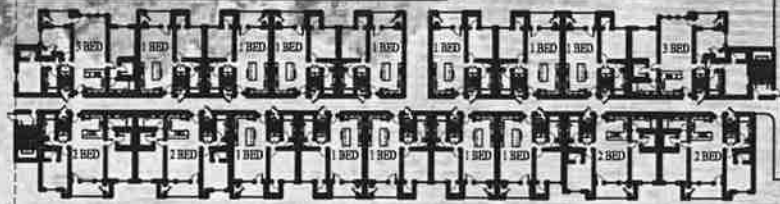
800 WEST

POOL

CLUBHOUSE

HC

102 UNITS
3.31 ACRES (300,000 sq ft)
(48) 1 BED / (46) 2 BED / (8) 3 BED
178 PARKING STALLS (1.75 UNIT)



GATE

STATE 15

Woods C

Woods Cross

*Proposal For A
Job Classification
&
Compensation Study*

October 23, 2014

Prepared By



**1325 W. Bluemont Dr.
Salt Lake City, UT 84123
801-269-8977
personnelsystems@comcast.net**

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INTRODUCTION

The development of a sound personnel management system begins with an organizational statement addressing the objectives of management related to achieving a predetermined employer status and labor market posture. Underlying the objectives is the organization's attitude or philosophy about work and workers. With this in mind the consultant assumes (1) that the City of Woods Cross desires to achieve a reasonable level of competitiveness and maintain current standards in providing quality services by attracting and retaining the most qualified employees and (2) in order to avoid becoming a training ground for other employers, the city views it desirable to provide career development opportunities where ever possible, competitive compensation and commit other resources necessary to enhance the attractiveness of the city as an employer.

PROJECT PHILOSOPHY

Personnel Systems & Services subscribes to and promotes equal pay for equal work, non-discrimination in employment and fair and good faith dealing in all employee-employer relationships. Management has the right to expect a fair day's labor for the daily wage provided. Employees have the right to expect a fair day's pay for the labor given. The appropriateness of the pay provided is a function of the market place, the organizations internal equity system, which establishes the value of the job to a specific employer, and the perceived value of the individual based upon job performance, which includes loyalty, dependability and competence.

The employee's perception of equity and consistency in pay practices may not result in greater productivity and efficiency while the perception of inequity and inconsistency will most always produce discontent.

SERVICE AREAS

JOB DESCRIPTION UPDATE & DEVELOPMENT

The process of collecting facts about jobs sufficient to update job descriptions and specifications is the preliminary requirement necessary to complete job evaluation and classification, the application of your internal equity instrument. The description details what is involved in the job that includes job title, general purpose statements, and essential functions. The specifications for the job refer to those statements that describe personal characteristics, minimum qualifications, knowledge, skills, and abilities, or special qualifications that must be met in order for a job applicant to be considered eligible for the position. Completed documents are ADA compliant with regard to essential functions of each individual position.

JOB EVALUATION & CLASSIFICATION

The evaluation of the job comes through the establishment of measurement criteria against which all jobs are compared in order to determine relative organizational value. The instrument is typically a point system, a factoring method, job ranking, or a combination. Measurement criteria are aspects of the job such as job knowledge, minimum qualifications, and difficulty of work, accountability, responsibility, supervision, job controls, and work environment. The objective of this phase of the project is to determine and establish the internal equity program that is ultimately attached to market data to create a formal pay plan. This process will assist the city to identify its own "worth of work" values resulting in a **"site validated"** internal equity methodology.

LABOR MARKET ANALYSIS

A review of the labor market, the economic area in which you wish to compete, is essential to the overall success of the pay plan. The objective of the analysis is to achieve external competitiveness. This phase involves the completion of a survey of employer wages and benefits for city benchmark positions. Through the use of statistical measures and evaluation techniques it is possible to determine your competitive position in the chosen market place including public and/or private employers, and then establish a specific posture regarding the most realistic market objectives in terms of pay ranges and methods of pay progression. Where does the City want to posture itself in the market place? As a trendsetter? A leading edge competitor? At market parity? Or, as reasonably comparable?

COMPENSATION POLICIES & PROCEDURES

This service involves providing at no cost a model compensation management policy which addresses method of progression from minimum to midpoint and from midpoint to maximum of the pay range. Additionally, an outline for creating an incentive program will be included.

BASIS OF SOUND PAY PROGRAMS

As the city seeks to establish and maintain an effective compensation program it is recommended that consideration be given to some or all of the following:

1. Size and type of business: *The ability to pay* certain rates, based upon revenues and financial resources.
2. Organizational Philosophy: *The willingness to pay* certain rates and *attitudes* about ranking among other employers within a selected labor market.
3. Nature and Diversity of Work: *The degree of specialization*, work variety, and technology (an element of the job classification methodology).
4. Regional Economics: *The prevailing rates* of pay and the rates of inflation.
5. Availability of Labor Supply: *The competition* for certain types of jobs resulting from an abundance or shortage of certain skills and abilities within the labor market.
6. Value of Work Contribution: *The worth of a particular job* to the organization (the overall value determined through classification methodology).
7. Pay Supplements: *The total compensation comparability* afforded through various incentives and discretionary benefits.
8. Reputation of the Organization: *The competitiveness* of pay and *social recognition* as high- or low-paying.
9. Pay Progression Policy:
 - The learning curve impact associated with certain types of jobs.
 - Pay range uniformity vs. diversity (pay schedule design).
 - Length of Service.
 - Performance based increases.
 - Pay for knowledge or level of competency.
 - The use of "control rates" within the pay ranges.
10. Bonus and Incentive Plans:
 - The use of "non-scheduled" recognitions.
 - The use of non-monetary rewards.
11. Ownership Protection: involves realistic consideration of resource limitations. The cost of administration should constantly be balanced against achieving the other objectives of the pay plan and overall personnel program.

SCOPE OF WORK

JOB ANALYSIS & CLASSIFICATION STUDY

PRE-PROJECT PLANNING

- A. Conduct webinar/meetings with designated staff and city management to discuss philosophy, work plan and explain instruments.
- B. Determine customization needs for proposed instruments.
- C. Identify communication processes and methods to satisfy employee engagement expectations.

QUESTIONNAIRE ADMINISTRATION, COLLECTION & ONSITE PREPARATIONS

Step #1: The consultant will provide to MANAGEMENT/HR staff the data collection instruments (along with instructions for completion) for distribution to fulltime employees. These instruments will include a "Job Values" survey and a Position Analysis Questionnaire. Target dates for completion will be attached in a memo regarding the project when delivered to employees.

The Position Analysis Questionnaire will ask a variety of questions related to job duties, responsibilities, knowledge, skills, abilities, etc. This is a standard tool necessary in accumulating job facts for all job classifications. *This phase could be minimized by the use of existing position descriptions as the primary instrument for updating. Employees may wish to use a combination of both documents in order to provide the greatest amount of written information regarding their position. Unique positions not previously included in the personnel system would still require the use of the questionnaire.*

Step #2: MANAGEMENT/HR staff to review a "Job Values Survey" instrument provided by the consultant to determine that the survey content addresses all the "worth of work" values of interest to the city. This process results in the delivery of a "site validated" job evaluation (point factor) instrument consistent with those criteria set forth in the Fair Labor Standards Act as the legitimate basis to "discriminate" or differentiate the pay between jobs.

Step #3: MANAGEMENT/HR distributes to all departments the survey along with instructions for completion and a targeted completion date with completed forms being returned to the MANAGEMENT/HR office.

Step #4: Supervisors and MANAGEMENT/HR staff review completed employee Position Analysis Questionnaires.

Step #5: Completed survey and questionnaires to be compiled and mailed to the consultant by MANAGEMENT/HR staff.

Step #6: If available, MANAGEMENT/HR staff delivers electronic copies of existing/current job descriptions to the consultant.

Step #7: The consultant and onsite audit team reviews all completed questionnaires and current job descriptions.

Step #8: MANAGEMENT/HR staff to email the consultant an Excel file containing the fulltime employee census identifying employee first name, last name, department, job title, pay grade/band, pay range minimum and maximum and current actual pay.

ONSITE ENGAGEMENT

Step #9: **Employee Orientation:** The consultant will prepare a proposed onsite schedule to include an employee orientation to conduct an open discussion with all employees regarding the purpose of the review and the processes to be followed. One, two or more meeting sessions could be scheduled to allow all employees to attend, without disrupting services and operations. Each orientation should require 45-60 minutes each.

Step #10: **On-site Job Audits:** The consultant will prepare an audit schedule and propose times for individual and group audits and deliver the proposed schedule to MANAGEMENT/HR staff for review and distribution. A brief time will be allowed to shift and reschedule employees where the proposed schedule contains conflicts or poses attendance issues. This process will allow all employees opportunity for direct verbal input. All positions with one incumbent will be audited. Positions with more than one incumbent may be involved in group audits. At the option of the employees in multiple incumbent positions, they may select a member of the group to represent them in the audit process. Each audit is to take approximately 45 minutes. **Mike Swallow will personally meet with all department heads.**

JOB DESCRIPTION PREPARATION

Step #11: **Position Description Rough Draft:** Upon completing job audits the consultant will update or prepare rough draft descriptions describing general purpose, supervisory relationships, essential functions, minimum qualifications, knowledge, skills, abilities, and special qualifications required for the job. The drafts will be delivered to MANAGEMENT/HR staff for review and distribution. This document should be reviewed and approved by both position incumbents, or a representative or representatives of the position, and supervisors. Individuals will be encouraged to make additions or deletions to the position description in cooperation with supervisors as needed to satisfy their perceptions of their jobs.

Rough draft documents will incorporate options for **career progression** utilizing job families and related logical structure.

Step #12: **Position Description Final Draft:** Upon receiving the returned rough draft descriptions the consultant will finalize all changes and updates. Significant alterations may require follow-up audits by the Consultant to clarify significant differences in job perceptions.

JOB EVALUATION & CLASSIFICATION

Based upon the results of the "Job Values" survey the consultant will develop and deliver an updated and customized job evaluation instrument reflecting the employee "worth of work" priorities. The consultant will then perform the initial point factor evaluation of each job based upon the finalized job description and prepare recommendations for job pay grades. The instrument will compare each job against measures such as responsibility, difficulty of work, job knowledge and work environment, etc. The scientific approach used in the construction of the factor tool is based upon Weber's "Law Of Just-Noticeable-Difference." An optional step in the classification process would be to involve the use of a committee facilitated by the consultant, which would make the "fine-tuning" **classification and pay range recommendations.**

Step #13: Consultant develops and recommends point factor evaluation instrument and pay grade options with consideration being given to various pay plan designs, with or without pay grades.

Step #14: The consultant applies the point valuation instrument to each job and creates the baseline for establishing internal equity and job valuation consistency.

Step #15: MANAGEMENT/HR Officer and assigned staff in cooperation with the consultant "fine-tunes" the assignment of points to each job, which process may include an invitation to subject matter experts, supervisors and/or job incumbents to meet and discuss job content.

Step #16: During the fine-tuning process, the consultant, MANAGEMENT/HR Officer and assigned MANAGEMENT/HR staff work together to identify and determine possible classification consolidations, career path options, and job family progression series. The fine-tuning exercise will constitute staff training in the classification methodology.

SCOPE OF WORK MARKET COMPENSATION STUDY

MARKET DATA COLLECTION & ANALYSIS

Step #17: To the extent possible, the consultant will utilize the Technology Net, web-based resource to expedite the conducting of the Market Compensation Study. Additionally, complementary market data will be added to the data obtained through direct solicitation of the **targeted survey participants in the Woods Cross market area as defined by management.**

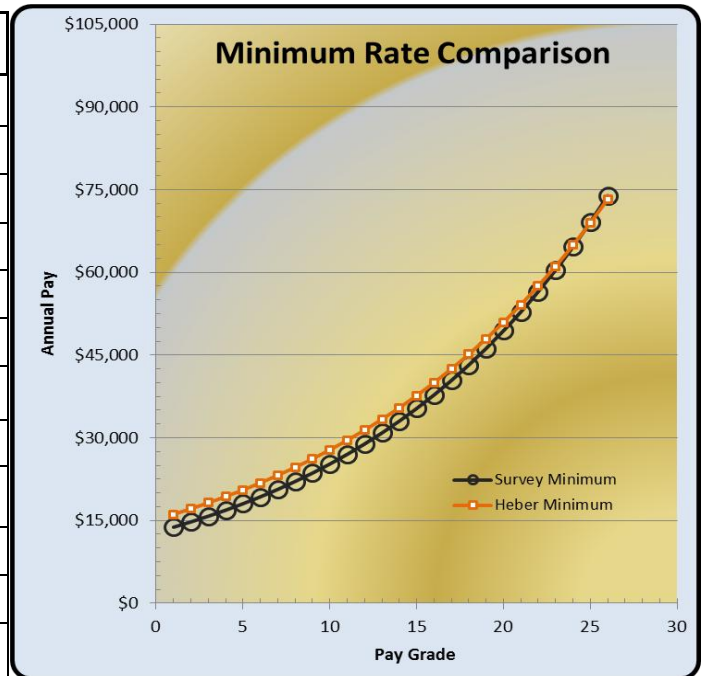
Step #18: **Labor Market Analysis:** The consultant will conduct a survey of base wages within a selected labor market for a variety of selected benchmark positions. The survey participants will be chosen by city management and MANAGEMENT/HR staff and represent various public and private entities with whom the city desires to be competitive. It is recommended that this sample remain fairly stable over the years in order to assure consistency in market evaluation.

It is also recommended that the survey participants represent the "trend setters", thus enabling the city to ascertain the leadership position of the market. By knowing what market leaders are doing the city can determine what kind of pay policy and posture they want to maintain in relationship with the selected market. Statistical analysis and charts will be used to describe the survey results.

Step #19: Develop and deliver regression analysis graphic illustrations of the city's comparative position with the defined market area and survey participants.

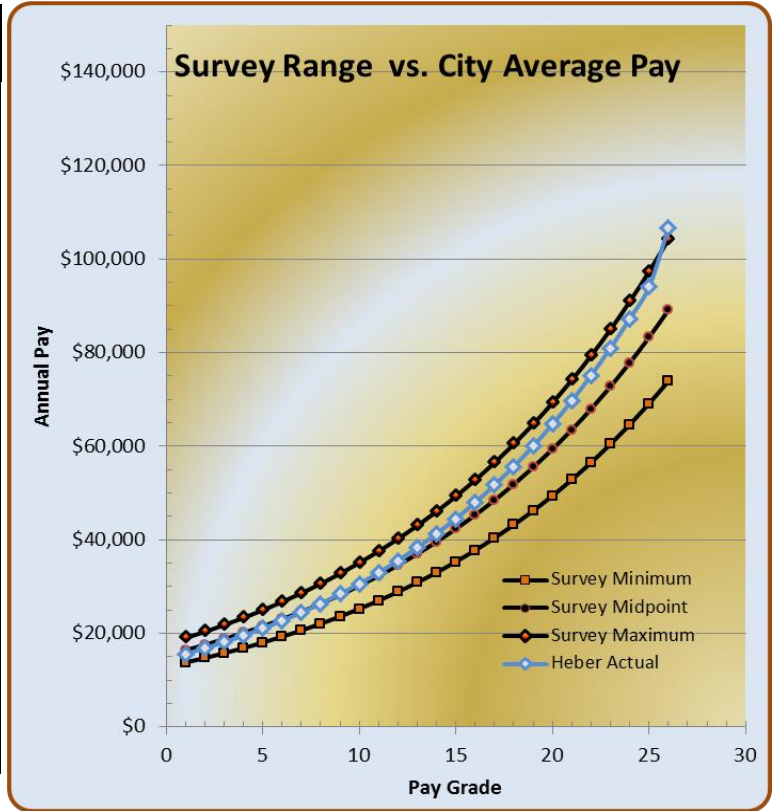
Sample Analytical Chart #1

Pay Grade	Survey Minimum	Heber Minimum	\$ Difference	% Difference
10	\$25,249	\$27,814	\$2,566	9.2%
11	\$27,002	\$29,551	\$2,549	8.6%
12	\$28,877	\$31,396	\$2,518	8.0%
13	\$30,883	\$33,355	\$2,473	7.4%
14	\$33,028	\$35,438	\$2,410	6.8%
15	\$35,321	\$37,650	\$2,329	6.2%
16	\$37,774	\$40,000	\$2,226	5.6%
17	\$40,398	\$42,498	\$2,100	4.9%
18	\$43,203	\$45,151	\$1,947	4.3%
19	\$46,204	\$47,969	\$1,766	3.7%
20	\$49,412	\$50,964	\$1,551	3.0%
21	\$52,844	\$54,145	\$1,301	2.4%



Sample Analytical Chart #2

Pay Grade	Survey Minimum	Survey Midpoint	Survey Maximum	Heber Actual
1	\$13,797	\$16,417	\$19,018	\$15,614
2	\$14,756	\$17,566	\$20,357	\$16,827
3	\$15,780	\$18,796	\$21,790	\$18,135
4	\$16,876	\$20,112	\$23,324	\$19,544
5	\$18,048	\$21,520	\$24,966	\$21,062
6	\$19,302	\$23,027	\$26,724	\$22,699
7	\$20,642	\$24,639	\$28,605	\$24,463
8	\$22,076	\$26,364	\$30,619	\$26,364
9	\$23,609	\$28,209	\$32,774	\$28,412
10	\$25,249	\$30,184	\$35,082	\$30,620
11	\$27,002	\$32,298	\$37,552	\$32,999
12	\$28,877	\$34,559	\$40,195	\$35,563
13	\$30,883	\$36,978	\$43,025	\$38,326
14	\$33,028	\$39,567	\$46,054	\$41,304
15	\$35,321	\$42,338	\$49,297	\$44,513
16	\$37,774	\$45,302	\$52,767	\$47,972
17	\$40,398	\$48,473	\$56,482	\$51,699
18	\$43,203	\$51,867	\$60,459	\$55,716
19	\$46,204	\$55,498	\$64,715	\$60,046



Alternative: No More Pay Grades: Now developed and available is an approach to compensation analysis that eliminates the use of pay grades but still retains the integrity of an internal equity maintenance methodology. Over the years there have always been complaints about pay grade structures that become manipulated. While it is almost impossible to eliminate all manipulation, this new approach can significantly minimize and may eventually eliminate such fairness distortions. Based upon an internal equity valuation each job can have an individualized market based pay range. The slightest variations between the worth of jobs based upon your entity's worth-of-work values can now be recognized resulting in base pay management that is not cumbersome attached to a confining "pay plan".

This approach **can also overcome the frustrations of "Broad Banding"** and eliminate the challenges of associating non-benchmarked jobs to the benchmark anchor. Here too, every job can be uniquely assigned a market derived pay rate.

EMPLOYER PROVIDED BENEFITS

In identifying the city's competitive posture with the labor market, the consultant will develop a total compensation picture. There are three basic approaches to comparing benefits: (1) Benefit plan provision method, (2) Employer cost method, and (3) standard cost method or the "level of benefit approach". All three methods have strengths and weakness. Method #2 is the approach utilized by U.S. Chamber of Commerce and the Bureau of Labor Statistics to analyze trends in employer benefits. The question that will be addressed is: "How does the amount of money the city is spending per employee (for employer paid benefits) compare to the amount of money competitors are spending on their employees" (discretionary and mandatory benefits)?

Step #20: The consultant will solicit Total Compensation data, the total value of employer paid benefits. The Total Compensation Value (TCV) will be calculated for each position and included in the final market analysis.

SALARY STRUCTURE REVIEW & RECOMMENDATIONS

- Step #21: The Consultant and MANAGEMENT/HR Staff will finalize the salary structure to ensure conformity with management philosophy for pay progression methodology and competitive positioning within the defined market. After identifying market relationships the City will select a level of competitiveness to be achieved in the design of the new pay plan or "plans" with consideration being given to targeted percentiles in the data's prevailing rates. The learning curve philosophy may also be reflected in the development of ranges for various job classifications. Under the "No More Pay Grade" alternative, each individual job classification/description will potentially have an independent and separate pay range based upon market.
- Step #22: The Consultant will complete the full integration of the results of the classification and job evaluation phase of the study with the market compensation study.
- Step #23: The Consultant will Identify and calculate a least cost implementation plan and identify the placement of each employee in relation to their job's revised pay grade/range and classification. As needed, the consultant will create "phase-in" options based upon calculated economic impact.
- Step #24: Based upon the preferred option for the number of pay grades the consultant will prepare and deliver recommendations for salary schedule restructuring. If the "No Pay Grade" option is of interest the results can be reviewed according to individual jobs and job families.
- Step #25: Discuss with MANAGEMENT/HR staff the desire and value of opening an appeal window to allow employees to appeal there job's classification and recommended pay range/grade.

ADDITIONAL CONSIDERATIONS/ PROJECT ENHANCEMENTS

Performance Management System: A performance management and evaluation program will normally be designed in combination with one of two ways: (1) to be utilized to monitor employee, work unit, and organizational progress toward achieving established goals and objectives; and (2) to provide justification for pay increases, advancement, promotion, and incentive awards and job retention. In achieving option two, the success of the program will involve integrating the performance management and evaluation program into the other aspects of the total compensation system. Other compensation factors to be evaluated simultaneously would include some or all of the following:

A. **Base Pay:** This is the acceptable market range as determined through labor market analysis. The objective of the base pay program is to achieve a predetermined pay posture within the city's defined market area. One of four levels is usually pursued: 1) trend setting 2) competitive 3) parity or 4) comparable. The base pay plan is the companion to the job classification system that is the method of determining internal equity for the purpose of establishing base pay. Movement through the base pay schedule would be determined by two factors- the learning curve concept and acceptable performance (the minimal level of job productivity that would justify job retention).

B. **Incentive Award/Bonus Plan:** This system allows management to reward performance without compounding the costs in all other areas of compensation which are related to base pay (FICA, retirement, supplemental retirement, insurance, etc.). Such awards are one time, based upon predetermined criteria, can be given to individuals or work groups, and can be either monetary or non-monetary. Even benefits, such as additional annual leave could be used. Such reward systems would provide more financial control.

C. **Longevity Pay:** Generally, such pay is attached to the base pay schedule. When so attached this program does also compound other costs mentioned above. Annual leave schedules that allow employees to accumulate leave at increasing rates according to time in service are a form of longevity pay. When considering options for rewarding the dedicated, long service employee, annual leave can be supplemented by a lump sum cash program structured similar to annual accrual schedules. By separating items "b" and "c" from the base pay schedule, management will be better able to minimize the rewarding of mediocrity.

D. **Cost-of-Living Adjustments:** This adjustment to the general base pay schedule is an estimate of market changes. The amount of such adjustments is determined regionally by the Bureau of Labor Statistics and reported as the consumer price index. This is a shortcut substitute to conducting a thorough labor market analysis. It is generally recommended that an

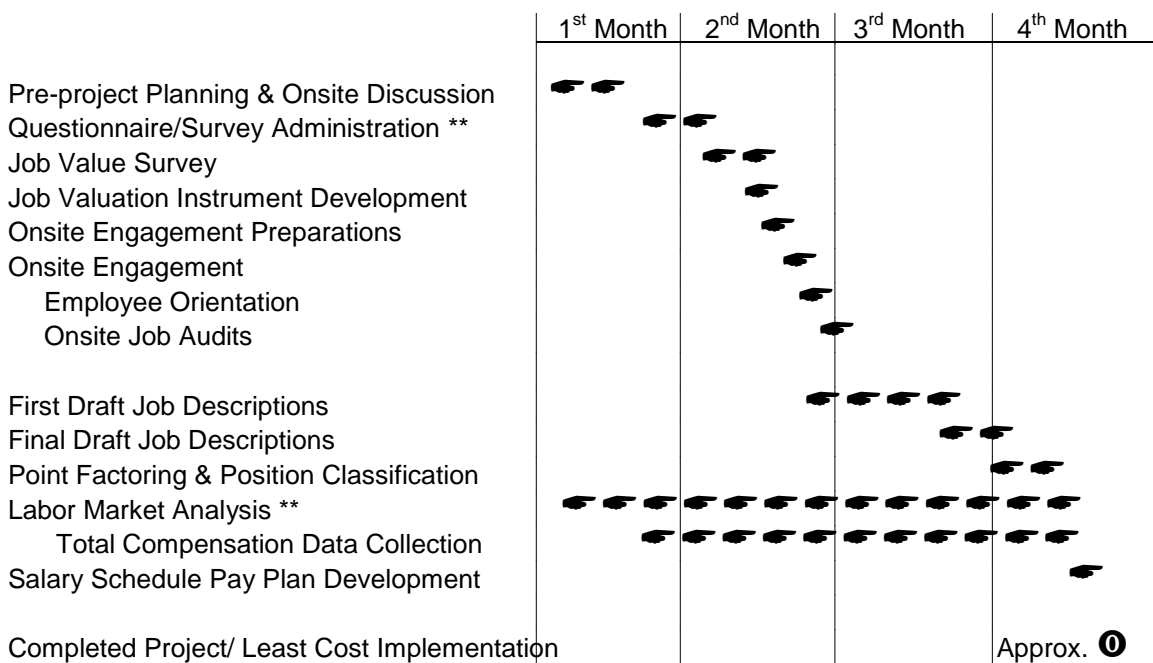
organization conduct the labor market analysis at least every two or three years to rectify error produced by using CPI or some other market index.

E. **Market Differentials:** This compensation practice comes into play when the supply and demand in the job market impacts certain types of jobs. It is identified through labor market analysis and shows up as an inconsistency between internal job value (classification) and external market pay. These adjustments are temporary and are utilized as needed to retain quality employees who have recognized the marketability of their knowledge, skills, and abilities.

DELIVERABLE PRODUCT AND MATERIALS

Upon conclusion of the project the consultant will provide the City with five (5) attractive ring binders and a master document containing all project documents and personnel materials. The binders will be vinyl and include City name on the front, with the words "Human Resource Manual" on the spine and across the front. A six bank set of Mylar covered tabs will be inside each binder identifying manual sections labeled: Organization Charts, Policies and Procedures, Position Descriptions, Classification and Job Analysis, Salary Information, and Sample Personnel Forms

TIME REQUIREMENTS
Wage & Salary Market Analysis Study



** It is the consultant's experience that slowing in the time line can occur at these phases of the study. Generally, supervisors need to be insistent regarding employees completing and returning Values Survey within the allocated time period. Should such hurdles develop in the study, the target completion date could be over run. Commitment from all levels of management to promote the projects successful completion will be a key element.

① = Deliverable

COST OF SERVICES

(Based upon approximately 30 Fulltime & Regular Part-time employees, approx. 25 job classifications)

Program A-Job Descriptions

1. Employee Project Orientation	\$250.00
2. Questionnaire Administration & Review, 30 @ \$25/each with preliminary Organizational Analysis & Class Determinations	\$750.00
3. On-site Job Audits 100% @ 30 individual job audits @ 60 min. ea.	\$2,400.00
4. Writing & Rewriting of job descriptions Approximately 25 @ \$50.00 ea.	\$1,250.00

Total: Program A	\$4,650.00
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Program B-Job Evaluation & Classification

1. Values Survey Data Entry & Tabulation	\$250.00
2. Customization of Point Factor Instrument	\$1,500.00
3. Job Analysis & Classification 25 job classes (Pay Grade Determination)	\$750.00

Total: Program B	\$2,500.00
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Program C-Labor Market Wage/Salary Analysis

1. Labor Market Salary Survey and Analysis	\$6,550.00
2. Employer Paid Benefit Survey and Analysis	\$1,250.00
3. Pay Plan Integration & Recommendations	\$950.00

Sub-Total: Program C	\$8,750.00
TechNet Subscriber Discount @ 30%	(\$2,625.00)
Total Program C	\$6,125.00

Program D- Policy & Procedure Development & Recommendations

1. Model Compensation Policy	\$0.00
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Total: Program D	\$0.00
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Total Cost: Program A-D:	\$13,275.00
All overhead Expenses, i.e., travel, meals, materials, etc. @ 5%	\$663.00
Total	\$13,938.00

[Payment Schedule: Up front project binder- 20%. Upon completion of on-site job audits -20%. Upon delivery of 1st draft job descriptions- 20%. Upon delivery of job evaluation instrument & initial pay grade or market range recommendations- 20%. Upon delivery of Wage Analysis and final project materials with least cost implementation impact- 20%.](#)

MIKE SWALLOW
PROFESSIONAL & BUSINESS PROFILE

WORK EXPERIENCE

(1976-2014)

Technology Net, Inc.; Partner and co-developer of the TechNet online Compensation Survey System. 1500 Subscribers in Utah, Idaho, New Mexico, Wyoming, Colorado, Mid-American Regional Council (Kansas & Missouri), Virginia and Maryland. Established 2002.

Personnel Systems & Services. Currently providing technical assistance consulting services in human resource management systems consisting of: job analysis and classification, labor market compensation analysis and pay plan development, policy and procedure development, grievance management and resolution, performance management, recruitment and selection, training and general HR management programs. Company established in 1988.

Bureau Manager- Local Government MANAGEMENT/HR Consultant, Bureau of Consulting Services, Department of Human Resource Management, State of Utah. Develop, market, coordinate and deliver technical assistance services to Utah cities and counties in human resource management, supervisory training, organizational development, employee assistance programs, employee relations, fair employment programs, recruitment and selection, job classification, and wage and benefit analysis. Direct and coordinated state-wide and interstate salary and benefit surveys and analysis.

Contract Consultant, Emery County, Price City, Tooele City, Iron City, Tooele City and Carbon County Utah. In conjunction with State of Utah consulting duties, and under special contract, acted as advisor and resource to the City. Provided consultation related to policies, procedures, classification, compensation, recruitment, selection, discipline, termination and employee relations.

Self Employed, Benefits Broker & Personnel Consultant. Marketing and sales of individual and group benefits utilizing medical reimbursement plans, salary continuation plans, business continuation programs, stock redemption plans and 401(k) salary reduction plans. Performed private consulting to professionals and local governments. Developed business plans or proformas with income projections, cash flow analysis, balance sheets and break even analysis. Worked as an associate to Ricketts and Associates-Risk Management/Vierra-CPA firm. Licensed to sell life, health and disability insurance.

Idaho Association of Counties, Boise, Idaho. Develop, market, coordinate and deliver technical assistance services to Idaho cities and counties in human resource management, supervisory training, organizational development, employee assistance programs, employee relations, fair employment programs, recruitment and selection, job classification, and wage and benefit analysis.

Current Retainers: North Davis County Sewer District, UT; Washington City, UT; Lafayette, CO.

Current Projects: Duchesne County, UT; Mountainland Association of Governments, UT; Heber Light & Power, UT; Orem, UT; Weber 911 Emergency Dispatch, UT.

Annual Projects Conducted via Technology Net: Wasatch Compensation Group annual salary and benefit survey (Salt Lake City, West Valley, Murray, Sandy, Provo, Orem, Ogden, Layton, Park City, West Jordan, St. George, South Salt Lake). Colorado Municipal League, Virginia Institute of Government/University of Virginia, Maryland Municipal League.

REFERENCES

- Mr. Dan Tarwater, HR Director, Las Vegas, NV, (702) 229-6011, dtarwater@lasvegasnevada.gov
- Ms. Sue Brown, Compensation Administrator, Las Vegas, NV, (702) 229-6011, sbrown@LasVegasNevada.GOV
- Ms. Pam Springs, HR Director, Lafayette, CO, 303-665-5588, pamsp@cityoflafayette.com
- Mr. David Mitchem, City Manager, Pagosa Springs, 970-264-4151, dmitchem@pagosasprings.co.gov
- Mr. Roger Carter, City Manager, 111 North 100 East, Washington City, UT, 435-656-6300, rcarter@washingtoncity.org
- Mr. David Sanderson, Finance Director, Lehi City, 801-768-7100, dsanderson@lehi-ut.gov
- Mr. John Aguirre, HR Director, Gillette, WY, 307-686-5204, johna@ci.gillette.wy.us
- Mr. Zane Logan, City Administrator, P. O. Box 1008, Powell, WY 82435, 307-754-5106
- Mr. Larry LaMaack, Executive Director, Wyoming Municipal Power Agency, 4041 US Hwy 20, Lusk, Wyoming 82225-0900, 307-334-2170.
- Mr. Raymond Jojola, HR Director, Hard Rock Hotel & Casino, 11000 Broadway SE, Albuquerque, NM; 505-244-8145.
- Ms. Melanie Marsh, Human Resources Director, City of Idaho Falls, Idaho Falls, ID; 208-612-8248;
mmarsh@idahofallsidaho.gov
- Ms. Ruth Holyoak, HR Officer, 111 North 100 East, Washington City, UT, 435-656-6315
- Mr. William Fulginiti, Executive Director, New Mexico Municipal League, 505-982-5573
- Ms. Dora Mae C'Debacca, New Mexico Finance Authority, 505-984-1454
- Mr. Dan Byron, Chief Deputy County Clerk, Bonneville City, Idaho Falls, ID; 605 N Capital Ave . (208) 529-1350

Others Upon Request

PREVIOUS ENGAGEMENTS

Classification, Compensation, Supervisor Training, Performance Management

UTAH

<p>Bluffdale City Bountiful Water Subconservancy District Box Elder City Brian Head Town Brigham City Cache City School District Canyonlands Natural History Association Carbon City Housing Authority Cedar City Centerfield Central Weber Sewer Improvement District Clearfield City Davis Applied Technology Center Davis City Davis City School District Draper City East Carbon City Emery City Emery City School District Ephraim City Five City Association of Governments Garfield City Grand City Heber City Heber Light & Power Heber Valley Railroad Helper City Holladay City Hurricane City Kearns Improvement District LaVerkin City Layton City Lehi City Mapleton City Midvale City Morgan City Mountainland Association of Governments Murray School District Neways International</p>	<p>North Davis City Sewer District Park City School District Phonex Corporation Pleasant Grove City Price City Provo City Riverdale City Salt Lake City Service Area #1 San Juan City San Juan School District Santaquin City Sevier Applied Technology Center Six City Commissioners Organization Snyderville Recreation District South Davis City Fire Department South Jordan City South Salt Lake City Southeastern Utah Association of Governments Spanish Fork City Springville City State Board of Education (Utah) State Court Administrator, Office of Summit City Syracuse City Taylorsville Timpanogos Special Service District Tooele County Tooele City Uintah Basin Applied Technology Center Uintah School District Utah Risk Management Mutual Association Wasatch City Wasatch Front Regional Council Washington City Washington City Washington Terrace Wellington City West Jordan Woods Cross Zion Natural History Association</p>
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IDAHO

<p>Coeur d'Alene City Idaho Falls City Benewah County Blaine County Bonner County Bonneville County Boundary County Canyon County Caribou County</p>	<p>Custer County Gooding County Idaho County Kootenai County Lemhi County Madison County Minidoka County Owyhee County Power County Valley County</p>
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NEW MEXICO

New Mexico Municipal League New Mexico Finance Authority Albuquerque Ruidoso Santa Fe North Central Regional Transit District	Taos Ski Valley Carlsbad Town of Taos Clovis
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WYOMING/COLORADO/ALASKA

Hoonah, AK Cody, WY Park County, WY Powell, WY Lander, WY Central Wyoming College	Wheatland, WY Torrington, WY Wyoming Municipal Power Agency, WY Lafayette, CO Walsenburg, CO Logan City, CO Georgetown, CO
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Other: National District Attorney Association, Washington DC/Arlington VA

December 17, 2014

Mr. Scott Anderson
Woods Cross City
1555 South 800 West
Woods Cross, UT 84087

Dear Scott:

We are pleased to quote the following for your consideration:

(1) 2015' John Deere 544K Loader, new 2015 model, S/N Factory Order.

The following factory and dealer options are included:

- * John Deere PowerTech PVX 6.8L meets EPA IT4 and Stage IIIB Emissions (163 Net Peak hp),
- * Reversing Fan Drive,
- * Air Intake System with Centrifugal Precleaner Engine,
- * 100 amp Alternator,
- * 4-Speed Transmission,
- * Front Hydraulically Locking Differential and Rear Conventional Differential Axles,
- * Manual Axle Differential Lock,
- * Michelin XHA2,
- * Z-BAR with Standard Greased Pin Joints,
- * 3 Function -- Joystick with FNR and 3rd Function Auxiliary Control Lever,
- * ROPS Quiet Cab with Air Conditioning,
- * Standard Fabric, Back Rest Extension, Air Suspension Seat,
- * Greased Steering Cylinder Joints,
- * Ride Control,
- * JDLink Ultimate,
- * Front Fenders,
- * Halogen Work and Drive Lights,
- * Standard Outside Mirrors,
- * Rear Cast Bumper/Counterweight with Rear Hitch and Locking Pin,
- * Hi-Vis Z-BAR Hydraulic Attachment Coupler,
- * 3.0 Cu. Yd. (2.3 Cu. M.) 106 in. Wide GP Hi-Vis Coupler Bucket with Bolt-on Cutting Edge,
- * Engine Block Heater,
- * Environmental Drains and Sampling Ports,
- * Axle Coolers,
- * 24 Volt to 12 Volt - 8 Amp Converter,
- * AM/FM/WB Radio with CD Player,
- * Single Beacon Bracket,
- * Slow Moving Vehicle (SMV) Emblem,
- * Warranty: 24/mo. 1000 hour Governmental,

Purchase Price: \$123,917.00

Less Trade Allowance: ~~-\$133,000.00~~ Trade unit(s): 2013 JD 544K, SN 1DW544KZJEE658112;

Total, Delivered: ~~\$(9,083.00)~~

We believe the equipment as quoted will exceed your expectations. On behalf of Honnen Equipment Co., thank you for the opportunity to quote John Deere machinery.

Sincerely,

Nick Doyle
Territory Manager

'This proposal is good for 30 days'



December 17, 2014

Mr. Scott Anderson
Woods Cross City
1555 South 800 West
Woods Cross, UT 84087

Dear Scott:

We are pleased to quote the following for your consideration:

(1) 2014' John Deere 310SK Backhoe Loader, ECPLR , S/N 1T0310SKHEE274258.

The following factory and dealer options are included:

- * 4.5l Engine-epa It4,
- * Jd Link Ult Na 3 Year,
- * Ultimate Cab,
- * Decals English,
- * Mfwd (4wd) Limited Slip,
- * Firestone 19.5x24 12.5/80-18,
- * Pilot Controls,
- * 1250lb Front Counterweight,
- * Dual Battery, 300 Min Reserve,
- * Front View Mirror,
- * Engine Coolant Heater (100w),
- * Dual Battery Disconnect,
- * 410j Backhoe Bkt Cylinder,
- * Oil Sampling Ports,
- * Ext 6fnc W/prop+sel Flow,
- * Quick Cplr Multi New Series,
- * 2 Fnc Ldr Cplr-ride Control,
- * 1.3 Cu Yd Long Lip Bkt,
- * Console Left Side,
- * Full Mfwd Guard,
- * Bucket -24" Hd Bu W/ Single Dead Pin,
- * Forks, 60" Rail & Frame,
- * Warranty: 24/mo. 1000 Hour PT&H,

Purchase Price: \$85,737.00

12/mo.300 Hour Lease: \$6,950.00/year

We believe the equipment as quoted will exceed your expectations. On behalf of Honnen Equipment Co., thank you for the opportunity to quote John Deere machinery.

Sincerely,

Nick Doyle
Territory Manager

'This proposal is good for 30 days'

UTAH LEAGUE OF CITIES AND TOWNS

Local Officials Day at the Legislature

JANUARY 28, 2015

A PATH TO SUCCESS



Local Officials Day at the Legislature

JANUARY 28, 2015

As the 2015 Utah Legislative session begins, youth councils from cities throughout the state will gather for an inside look at how controversial issues are debated and laws are made. They will join leaders from their own cities and towns and learn more about those who represent them in state government.

Join us for Local Officials Day at the Legislature: it's a chance to learn, listen, and discuss some interesting and pertinent issues of our time.

UTAH STATE CAPITOL

Hall of Governors, Lower Level

7:30 am – 8:30 am

Registration, Self-guided Capitol Tour, and Continental Breakfast

8:30 am – 10:00 am

Mock Committee Hearings “Civics Education and Youth Voting”
(Rooms to be assigned at registration)

10:00 am – 10:45 am

Visit with Legislators or take Self-guided Capitol Tour

YOUTH COUNCIL MEMBERS

Salt Palace Convention Center (room TBD)

11:00 am – 11:45 am

“Build Your Utah”

Robert Grow, President/CEO Envision Utah

Participate in an interactive game to create the ideal community

LEAGUE DELEGATES

Salt Palace Convention Center (room TBD)

11:15 am – 11:45 am

ULCT Issues Briefing

LUNCH

Salt Lake City Marriott Downtown at City Creek

12:00 pm – 2:00 pm

Lunch with Legislators

Keynote Speaker Terry Bradshaw

Parking validation will be provided for both the Marriott Hotel and City Creek parking garages

Local Officials Day at the Legislature

JANUARY 28, 2015

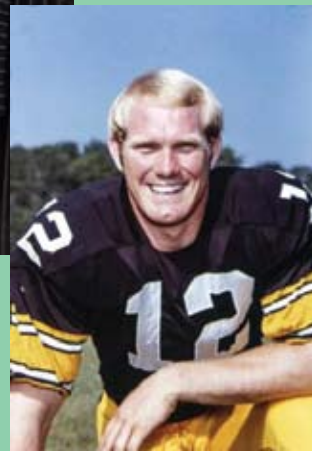
Keynote Speaker

TERRY BRADSHAW

NFL Football Superstar, National Television Commentator

As quarterback for the NFL's Pittsburgh Steelers during the 1970s, Bradshaw led the Steelers to four Super Bowl wins over six seasons, and was the Super Bowl MVP on two occasions. After retiring in 1983, he became a key media commentator on NFL football, and has worked for both the CBS and FOX networks. Hear the charismatic star of the television, the silver screen and the gridiron share insights about leading a successful life.

*Terry Bradshaw's presentation is part of the
Zions Bank | ULCT Speaker Series*



Local Officials Day at the Legislature

JANUARY 28, 2015

Youth Council Mock Committee Hearings

Should students be required to pass a civics test before they can receive their high school diploma? Would same-day registration or more vote by mail options increase the turnout of young voters?

Hear the perspective of Utah Youth City Council members as they participate in mock committee hearings and learn first-hand how legislators debate the issues.

In past years, the arguments students present in our ULCT Youth Council Hearings have become pertinent points of discussion among important committees on Capitol Hill.

Local Officials Day at the Legislature

JANUARY 28, 2015

REGISTRATION DEADLINE JANUARY 23, 2015

Name _____

Please indicate: Delegate-\$75.00 Youth City Council Member-\$60.00

Registrations received after January 23 must add a \$10.00 late fee Late fee-\$10.00

Total payment due \$ _____ Position _____ City/Town _____

Address _____ City/Town _____ Zip _____

Phone number _____ Email (required for confirmation) _____

Please check for non-meat meal In compliance with ADA, arrangements can be made for those with special needs

Payment method: Check Credit card (please check one): Visa MasterCard American Express



Credit card number _____ Expires _____ Signature _____

Please remit with payment to: Utah League of Cities and Towns, 50 South 600 East, Suite 150, Salt Lake City, Utah 84102
or fax your credit card payment to 801-531-1872