

Myton City Corporation
Duchesne County, Utah

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2015

Myton City Corporation
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June 30, 2015

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Accountant's Report - placeholder only

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Myton City Corporation
Management's Discussion and Analysis
June 30, 2015

As management of Myton City Corporation (the City), we offer readers of the City's financial statements this narrative overview and analysis of financial activities of the City for the fiscal year ended June 30, 2015.

FINANCIAL HIGHLIGHTS

- *Total net position for the City as a whole decreased by \$192,796.
- *Total unrestricted net position for the City as a whole decreased by \$567,933.
- *Total net position for governmental activities decreased by \$338,599.
- *Total net position for business-type activities increased by \$145,803.

BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements of Myton City Corporation. The basic financial statements comprise three components: (1) government wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the 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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them 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.

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 revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the 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 statement of activities is presented on two pages. The first page reports the extent to which each function or program is self-supporting through fees and intergovernmental aid. The second page identifies the general revenues of the City available to cover any remaining costs of the functions or programs.

Myton City Corporation
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June 30, 2015

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City also 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 the same functions reported as governmental activities in 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.

Because of the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government 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 government fund balance sheet and the government fund statement of the revenues, expenditures, and changes in fund balances provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains two major governmental funds, the general fund and the capital projects fund.

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

The basic governmental fund financial statements can be found later in this report; see Table of Contents.

Proprietary funds. The 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 two enterprise funds to account for business -type activities. The public utility fund accounts for the operations of the water, sewer and garbage utilities. The housing fund is used to account for the housing operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise funds are considered major funds of the City.

The proprietary fund financial statements can be found later in this report; see Table of Contents.

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. The notes to the financial statements are reported later in this report; see Table of Contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City.

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Management's Discussion and Analysis
June 30, 2015

FINANCIAL ANALYSIS

Myton City Corporation's Net Position

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Current and other assets	\$ 566,510	833,948	1,028,989	810,096	1,595,499	1,644,045
Non-current assets	3,090,083	3,174,015	1,708,828	1,293,571	4,798,912	4,467,586
Total assets	<u>3,656,593</u>	<u>4,007,963</u>	<u>2,737,817</u>	<u>2,103,668</u>	<u>6,394,410</u>	<u>6,111,631</u>
Deferred outflows of resources	<u>3,404</u>	<u>2,710</u>	<u>3,543</u>	<u>2,820</u>	<u>6,947</u>	<u>5,530</u>
Current liabilities	50,301	47,331	31,805	79,462	82,107	126,793
Long-term liabilities	364,846	383,422	558,612	24,374	923,458	407,796
Total liabilities	<u>415,147</u>	<u>430,753</u>	<u>590,417</u>	<u>103,836</u>	<u>1,005,565</u>	<u>534,589</u>
Deferred inflows of resources	<u>31,358</u>	<u>27,829</u>	<u>2,488</u>	<u>-</u>	<u>33,846</u>	<u>27,829</u>
Net position:						
Net investment in capital assets	2,744,083	2,814,015	1,169,828	1,293,571	3,913,912	4,107,586
Restricted	28,000	-	540,812	-	568,812	-
Unrestricted	441,409	738,076	437,814	709,080	879,223	1,447,156
Total net position	<u>\$ 3,213,492</u>	<u>3,552,091</u>	<u>2,148,455</u>	<u>2,002,652</u>	<u>5,361,947</u>	<u>5,554,743</u>

As noted earlier, net position may serve over time as a useful indicator of financial position. Total assets exceeded total liabilities and deferred inflows of resources at the close of the year by \$5,361,947, an increase of \$192,796 from the previous year. This change is equivalent to the net income for the year, in private sector terms.

Total unrestricted net position at the end of the year are \$879,223, which represents a decrease of \$567,933 from the previous year. Unrestricted net position are those resources available to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

The amount of current and other assets represent the amounts of cash and receivables on hand at the end of each year. Other liabilities are the amounts of current and other liabilities due, at year end, for goods and services acquired.

Changes in capital assets are the result of the difference, in the current year, of the cost of acquisition of capital assets and any depreciation charges on capital assets. Change in long-term debt is the difference in the amount of debt issued and that which has been paid during the year.

Myton City Corporation
Management's Discussion and Analysis
June 30, 2015

FINANCIAL ANALYSIS (continued)

Myton City Corporation's Change in Net Position

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Program revenues:						
Charges for services	\$ 22,755	24,402	510,622	524,298	533,377	548,700
Operating grants	99,986	130,254	-	-	99,986	130,254
Capital grants	-	-	-	-	-	-
General revenues:						
Property taxes	86,881	79,283	-	-	86,881	79,283
Sales tax	198,587	182,968	-	-	198,587	182,968
Other taxes	42,690	46,505	-	-	42,690	46,505
Other revenues	18,984	64,886	3,529	1,659	22,514	66,546
Total revenues	469,883	528,298	514,151	525,958	984,034	1,054,256
Expenses:						
General government	462,968	305,846	-	-	462,968	305,846
Public safety	160,433	95,733	-	-	160,433	95,733
Highways and improvements	149,867	145,627	-	-	149,867	145,627
Parks and recreation	35,213	26,869	-	-	35,213	26,869
Public utility	-	-	353,855	409,633	353,855	409,633
Housing	-	-	9,485	12,996	9,485	12,996
Total expenses	808,482	574,076	368,348	422,629	1,176,830	996,704
Change in net position	\$ (338,599)	(45,777)	145,803	103,329	(192,796)	57,552

For the City as a whole, total revenues decreased by \$70,222 compared to the previous year, while total expenses increased by \$180,126. The total net change of \$192,796 is, in private sector terms, the net loss for the year which is \$250,348 more loss than the previous year's net change (net loss).

Governmental activities revenues of \$469,883 decreased during the year by \$58,415. This is primarily due to grant proceeds in the prior year. Governmental activities expenses of \$808,482 increased by \$234,436 during the year.

Business-type activities revenues of \$514,151 decreased by \$11,807 during the year. Business-type activities expenses of \$368,348 were less than the previous year by \$54,280.

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BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

Some of the more significant changes in fund balances and fund net position and any restrictions on those amounts is described below:

General Fund

The fund balance of \$218,511 reflects a decrease of \$268,536 from the previous year. Total revenues decreased by \$64,934. Tax revenues, including property taxes and sales taxes, decreased by \$12,884. Intergovernmental revenue decreased by \$30,269. All other revenues decreased by \$26,781.

Total expenditures, excluding transfers out, increased by \$255,419. Current expenditure changes by department were as follows: general government increased by \$157,988, public safety increased by \$82,265, streets and highways decreased by \$77, and parks and recreation increased by \$8,309. Capital outlay expenditures decreased by \$6,934.

Total transfers out during the year amounted to \$81,343, with \$67,343 transferred to the capital projects fund and \$14,000 transferred to the debt service fund.

Utility Fund

Net operating income for the year was \$141,367 compared to the previous year net operating income of \$90,299. The change in net position (net income) was \$139,840, compared to the previous year's net income of \$91,917.

Unrestricted net position amounts to \$437,814.

Housing Fund

Net operating income for the year was \$5,715 compared to the previous year amount of \$11,371. The change in net position (net income) was \$5,963 compared to the previous year's net income of \$11,412

Unrestricted net position amounts to \$37,855.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues for the current year, not including transfers in, were originally budgeted in the amount of 952,229. This amount was amended during the year to \$1,005,909. Actual revenues for the current year amounted to \$466,052 which was \$539,857 less than budgeted.

Expenditures for the current year, excluding transfers out, were originally budgeted in the amount of \$1,021,912. This amount was amended during the year to \$1,169,868. Actual expenditures amounted to \$653,245 which was \$516,623 under the budgeted amount.

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Management's Discussion and Analysis
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CAPITAL ASSETS AND DEBT ADMINISTRATION

Myton City Corporation's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Net Capital Assets:						
Land and water rights	\$ 264,998	264,998	63,705	63,705	328,702	328,702
Buildings	1,853,374	1,848,574	51,760	51,760	1,905,134	1,900,334
Improvements other than buildings	403,411	378,811	-	-	403,411	378,811
Machinery and equipment	627,939	557,860	-	-	627,939	557,860
Infrastructure	3,414,678	3,414,678	-	-	3,414,678	3,414,678
Water system	-	-	1,946,423	1,359,216	1,946,423	1,359,216
Sewer system	-	-	1,233,342	1,120,297	1,233,342	1,120,297
General plant	-	-	238,442	238,442	238,442	238,442
Construction in progress	-	-	-	209,978	-	209,978
Total	6,564,400	6,464,920	3,533,672	3,043,398	10,098,072	9,508,318
Less accumulated depreciation	<u>(3,474,317)</u>	<u>(3,290,905)</u>	<u>(1,824,844)</u>	<u>(1,749,826)</u>	<u>(5,299,160)</u>	<u>(5,040,732)</u>
Net capital assets	<u>\$ 3,090,083</u>	<u>3,174,015</u>	<u>1,708,828</u>	<u>1,293,571</u>	<u>4,798,912</u>	<u>4,467,586</u>

The total amount of capital assets, net of depreciation, of \$4,798,912 is an increase of \$331,325 from the previous year. The increase is represents the amount that new additions to assets exceeded depreciation charged during the year.

Additional information regarding capital assets may be found in the notes to financial statements.

Myton City Corporation
Management's Discussion and Analysis
June 30, 2015

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Myton City Corporation's Outstanding Debt

	<u>Current Year</u>	<u>Previous Year</u>
Governmental activities:		
2008 CIB Town Hall	\$ 346,000	360,000
Total governmental	<u>346,000</u>	<u>360,000</u>
Business-type activities:		
2015 Water Revenue	539,000	-
Total usiness-type	<u>539,000</u>	<u>-</u>
Total outstanding debt	<u>\$ 885,000</u>	<u>360,000</u>

Additional information regarding the long-term liabilities may be found in the notes to financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

No significant economic changes that would affect the City are expected for the next year. Budgets have been set on essentially the same factors as the current year being reported.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Myton City Corporation's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Myton City Clerk, P.O. Box 185, Myton City, UT 84052 or by phone at (435)722-2711.

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BASIC FINANCIAL STATEMENTS

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Myton City Corporation
STATEMENT OF NET POSITION
June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$ 444,117	443,987	888,104
Accounts receivable, net	84,393	27,773	112,166
Total current assets	528,510	471,760	1,000,270
Non-current assets:			
Restricted cash and cash equivalents	28,000	557,229	585,229
Investments	10,000	-	10,000
Capital assets:			
Not being depreciated	264,998	42,653	307,650
Net of accumulated depreciation	2,825,086	1,666,176	4,491,262
Total non-current assets	3,128,083	2,266,057	5,394,141
Total assets	3,656,593	2,737,817	6,394,410
Deferred outflow of resources - pensions	3,404	3,543	6,947
Total assets and deferred outflows of resources	\$ 3,659,997	2,741,360	6,401,357
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Liabilities:			
Current Liabilities:			
Accounts payable	\$ 50,301	10,380	60,681
Customer security deposits	-	16,417	16,417
Revenue bonds due within one year	14,000	14,000	28,000
Total current liabilities	64,301	45,805	110,107
Non-current liabilities:			
Revenue bonds due after one year	332,000	525,000	857,000
Net pension liability	18,846	19,612	38,458
Total non-current liabilities	350,846	544,612	895,458
Total liabilities	415,147	590,417	1,005,565
Deferred inflows of resources	31,358	2,488	33,846
Total liabilities and deferred inflows of resources	446,505	592,905	1,039,411
NET POSITION:			
Net investment in capital assets	2,744,083	1,169,828	3,913,912
Debt Service	28,000	-	28,000
Construction	-	540,812	540,812
Unrestricted	441,409	437,814	879,223
Total net position	3,213,492	2,148,455	5,361,947
Total liabilities, deferred inflows of resources and net position	\$ 3,659,997	2,741,360	6,401,357

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

Myton City Corporation
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

<u>FUNCTIONS/PROGRAMS:</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue (To Next Page)</u>
Primary government:					
Governmental activities:					
Administration	\$ 462,968	1,796	35,143	-	(426,029)
Public safety	160,433	16,050	22,888	-	(121,495)
Streets and highways	149,867	-	41,955	-	(107,912)
Parks and recreation	35,213	4,909	-	-	(30,304)
Total governmental activities	<u>808,482</u>	<u>22,755</u>	<u>99,986</u>	<u>-</u>	<u>(685,740)</u>
Business-type activities:					
Water	358,863	495,222	-	-	136,359
Housing	9,485	15,400	-	-	5,915
Total business-type activities	<u>\$ 368,348</u>	<u>510,622</u>	<u>-</u>	<u>-</u>	<u>142,274</u>
Total primary government	<u>1,176,830</u>	<u>533,377</u>	<u>99,986</u>	<u>-</u>	<u>(543,467)</u>

(continued on next page)

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

Myton City Corporation
STATEMENT OF ACTIVITIES (continued)
For the Year Ended June 30, 2015

	Governmental Activities	Business-type Activities	Total
CHANGES IN NET POSITION:			
Net (expense) revenue (from previous page)	<u>\$ (685,740)</u>	<u>142,274</u>	<u>(543,467)</u>
General revenues:			
Property taxes	86,881	-	86,881
Sales tax	198,587	-	198,587
Other taxes	42,690	-	42,690
Unrestricted investment earnings	3,431	3,529	6,960
Miscellaneous	<u>15,554</u>	<u>-</u>	<u>15,554</u>
Total general revenues	<u>347,141</u>	<u>3,529</u>	<u>350,671</u>
Change in net position	(338,599)	145,803	(192,796)
Net position - beginning	<u>3,552,091</u>	<u>2,002,652</u>	<u>5,554,743</u>
Net position - ending	<u>\$ 3,213,492</u>	<u>2,148,455</u>	<u>5,361,947</u>

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

Myton City Corporation
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2015

	General Fund	Capital Projects Fund	Nonmajor Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 190,456	252,287	1,374	444,117
Receivables, net	84,393	-	-	84,393
Restricted cash and cash equivalents	28,000	-	-	28,000
TOTAL ASSETS	\$ 302,849	252,287	1,374	556,510
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities:				
Accounts payable	\$ 49,965	336	-	50,301
Total liabilities	49,965	336	-	50,301
Deferred inflows of resources	34,372	-	-	34,372
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	84,337	336	-	84,673
FUND BALANCES:				
Restricted for:				
Debt service	28,000	-	-	28,000
Assigned for:				
Capital projects	-	251,952	-	251,952
Debt service	-	-	1,374	1,374
Unassigned	190,511	-	-	190,511
TOTAL FUND BALANCES	218,511	251,952	1,374	471,837
TOTAL LIABILITIES AND FUND BALANCES	\$ 302,849	252,287	1,374	556,510

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

Myton City Corporation
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**
 For the Year Ended June 30, 2015

	General Fund	Capital Projects Fund	Nonmajor Debt Service Fund	Total Governmental Funds
REVENUES:				
Taxes:				
Property	\$ 83,133	-	-	83,133
Sales	198,587	-	-	198,587
Other taxes	42,690	-	-	42,690
Licenses and permits	1,420	-	-	1,420
Intergovernmental revenues	99,986	-	-	99,986
Charges for services	21,335	-	-	21,335
Interest	3,348	-	83	3,431
Miscellaneous revenue	15,554	-	-	15,554
Total revenues	<u>466,052</u>	<u>-</u>	<u>83</u>	<u>466,135</u>
EXPENDITURES:				
General government	420,196	-	-	420,196
Public safety	154,218	-	-	154,218
Highways and public improvements	24,101	4,105	-	28,206
Parks, recreation and public property	25,330	-	-	25,330
Capital outlay	29,400	70,079	-	99,479
Debt service:				
Principal	-	-	14,000	14,000
Total expenditures	<u>653,245</u>	<u>74,184</u>	<u>14,000</u>	<u>741,430</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(187,193)</u>	<u>(74,184)</u>	<u>(13,917)</u>	<u>(275,295)</u>
Other Financing Sources and (Uses):				
Transfers in	-	67,343	14,000	81,343
Transfers out	(81,343)	-	-	(81,343)
Total other financing sources and (uses)	<u>(81,343)</u>	<u>67,343</u>	<u>14,000</u>	<u>-</u>
Net Change in Fund Balances	<u>(268,536)</u>	<u>(6,841)</u>	<u>83</u>	<u>(275,295)</u>
Fund balances - beginning of year	487,048	258,793	1,291	747,131
Fund balances - end of year	<u><u>\$ 218,511</u></u>	<u><u>251,952</u></u>	<u><u>1,374</u></u>	<u><u>471,837</u></u>

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

Myton City Corporation
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION**
 June 30, 2015

Total Fund Balances for Governmental Funds	<u>\$ 471,837</u>
<p>Total net assets reported for governmental activities in the statement is different because:</p>	
<p>Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.</p>	
Capital assets, at cost	6,564,400
Less accumulated depreciation	<u>(3,474,317)</u>
Net capital assets	<u>3,090,083</u>
<p>Deferred outflows of resources, a consumption of net position that applies to future periods, is not shown in the funds statements</p>	
Deferred outflows of resources - pensions	<u>3,404</u>
<p>Other long-term assets are not available to pay for current-period expenditures, and therefore, are not reported in the funds.</p>	
Non-current investments	<u>10,000</u>
<p>Long-term debt, for funds other than enterprise funds are recorded in the government-wide statements but not in the fund statements.</p>	
General long-term debt	<u>(346,000)</u>
Net pension liability	<u>(18,846)</u>
<p>Certain revenue is deferred in governmental funds but not in the statement of net assets because it qualifies for recognition under the economic resources measurement focus.</p>	
Delinquent property tax deferred	<u>5,405</u>
Deferred inflows of resources - pensions	<u>(2,391)</u>
Total Net Position of Governmental Activities	<u><u>\$ 3,213,492</u></u>

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

Myton City Corporation
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
For the Year Ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds \$ (275,295)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with a material cost are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expenses.

Capital outlays	99,479
Depreciation expense	<u>(183,411)</u>
Net	<u>(83,932)</u>

The Statement of Activities show pension benefits and pension expenses from the adoption of GASB 68 that are not shown in the fund statements

Pension expense adjustment	<u>2,880</u>
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Long-term debt principal repayments	<u>14,000</u>
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Governmental funds do not report delinquent taxes as revenue because these revenues are not available for current period expenses.

Change in deferred delinquent property tax	<u>3,748</u>
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Change in Net Position of Governmental Activities **\$ (338,599)**

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

Myton City Corporation
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2015

	Utility Fund	Housing Fund	Total Enterprise Funds
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 407,689	36,298	443,987
Accounts receivable, net	25,968	1,805	27,773
Total current assets	433,657	38,103	471,760
Non-current assets:			
Restricted cash and cash equivalents	557,229	-	557,229
Capital assets:			
Not being depreciated	12,500	30,153	42,653
Net of accumulated depreciation	1,620,491	45,685	1,666,176
Total non-current assets	2,190,219	75,838	2,266,057
Total assets	2,623,876	113,941	2,737,817
Deferred outflows of resources - pensions	3,543	-	3,543
Total assets and deferred outflows of resources	\$ 2,627,419	113,941	2,741,360
LIABILITIES:			
Current liabilities:			
Accounts payable	\$ 10,132	248	10,380
Customer security deposits	16,417	-	16,417
Accrued interest payable	5,008	-	5,008
Revenue bonds, current portion	14,000	-	14,000
Total current liabilities	45,557	248	45,805
Non-current liabilities:			
Revenue bonds, long-term	525,000	-	525,000
Net pension liability	19,612	-	19,612
Total liabilities	590,169	248	590,417
Deferred inflows of resources	2,488	-	2,488
Total liabilities and deferred inflows ow resources	592,657	248	592,905
NET POSITION:			
Net Investment in capital assets	1,093,991	75,838	1,169,828
Construction	540,812	-	540,812
Unrestricted	399,959	37,855	437,814
Total net position	2,034,762	113,693	2,148,455
Total liabilities, deferred inflows and net position	\$ 2,627,419	113,941	2,741,360

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

Myton City Corporation
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN NET POSITION - PROPRIETARY FUNDS**

For the Year Ended June 30, 2015

	Utility Fund	Housing Fund	Total Enterprise Funds
Operating income:			
Charges for sales and service	\$ 445,582	15,900	461,482
Connection fees	100	-	100
Other operating income	49,540	(500)	49,040
Total operating revenue	<u>495,222</u>	<u>15,400</u>	<u>510,622</u>
Operating expenses:			
Personal services	107,302	-	107,302
Cost of sales	97,970	-	97,970
Utilities	5,957	3,937	9,894
Repair & maintenance	16,128	3,456	19,584
Other supplies & expenses	49,943	1,054	50,997
Insurance expense	2,400	175	2,575
Depreciation expense	74,155	863	75,018
Total operating expense	<u>353,855</u>	<u>9,485</u>	<u>363,340</u>
Net operating income (loss)	<u>141,367</u>	<u>5,915</u>	<u>147,282</u>
Non-operating income (expense):			
Interest income	3,482	47	3,529
Interest on long-term debt	(5,008)	-	(5,008)
Total non-operating income (expense)	<u>(1,526)</u>	<u>47</u>	<u>(1,479)</u>
Change in net position	139,840	5,963	145,803
Net position, beginning	1,894,921	107,730	2,002,652
Net position, ending	<u>\$ 2,034,762</u>	<u>113,693</u>	<u>2,148,455</u>

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

Myton City Corporation
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2015

	Utility Fund	Housing Fund	Total Enterprise Funds
Cash flows from operating activities:			
Cash received from customers - service	\$ 498,171	15,400	513,571
Cash paid to suppliers	(227,914)	(8,805)	(236,718)
Cash paid to employees	(107,302)	-	(107,302)
Net cash provided (used) in operating activities	<u>162,955</u>	<u>6,595</u>	<u>169,551</u>
Cash flows from noncapital financing activities:			
Change in customer deposits	36	-	36
Net cash provided (used) in noncapital financing activities	<u>36</u>	<u>-</u>	<u>36</u>
Cash flows from capital and related financing activities:			
Cash payments for capital assets	(490,275)	-	(490,275)
Cash payments for long-term debt	539,000	-	539,000
Net cash provided (used) in capital and related financing activities	<u>48,725</u>	<u>-</u>	<u>48,725</u>
Cash flows from investing activities:			
Cash received from interest earned	3,482	47	3,529
Net cash provided (used) in investing activities	<u>3,482</u>	<u>47</u>	<u>3,529</u>
Net increase (decrease) in cash	215,199	6,643	221,841
Cash balance, beginning	749,719	29,656	779,374
Cash balance, ending	<u>\$ 964,917</u>	<u>36,298</u>	<u>1,001,216</u>
Cash reported on the statement of net position:			
Cash and cash equivalents	\$ 407,689	36,298	443,987
Non-current restricted cash	557,229	-	557,229
Total cash and cash equivalents	<u>\$ 964,917</u>	<u>36,298</u>	<u>1,001,216</u>

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

Myton City Corporation
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
For the Year Ended June 30, 2015

**Reconciliation of Operating Income to Net
Cash Provided (Used) in Operating Activities:**

	Utility Fund	Housing Fund	Total Enterprise Funds
Net operating income (expense)	\$ 138,370	5,915	144,286
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:			
Depreciation and amortization	74,155	863	75,018
Changes in assets and liabilities:			
(Increase) decrease in receivables	2,949	-	2,949
Increase (decrease) in payables	(52,518)	(183)	(52,701)
Net cash provided (used) in operating activities	\$ 162,955	6,595	169,551

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

Myton City Corporation
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1-A. Reporting entity

Myton City Corporation (the City), a municipal corporation located in Duchesne County, Utah, operates under a Mayor-Council form of government. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable.

The City has no component units and is not a component unit of another entity.

1-B. Government-wide and fund financial statements

Government-wide Financial Statements

The government-wide financial statements, consisting of the statement of net position and the statement of activities report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund 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 reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expenses are not allocated. All expenses are included in the applicable function. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privilege 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*.

Fund Financial Statements

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

Myton City Corporation
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

1-C. Measurement focus, basis of accounting and financial statement presentation

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, generally including the reclassification of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments or payments to the general fund by other funds for providing administrative and billing services for such funds. Reimbursements are reported as reductions to expenses. Proprietary and any fiduciary fund financial statements are also reported using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when the grantor eligibility requirements are met.

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. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments, if any, receivable within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating income and expense reported in proprietary fund financial statements include those revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services, including administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Myton City Corporation
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

1-C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Policy regarding use of restricted resources

When faced with a choice, it is the City's policy to use restricted resources first, then committed and assigned amounts before spending unassigned amounts. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities. *Restricted assets, non-current* reports assets restricted for acquisition or construction of non-current assets, or are restricted for liquidation of long-term debt.

1-D. Fund types and major funds

Governmental funds

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 required to be accounted for in another fund.

The *capital projects fund* is used to account for the acquisition or construction of major capital facilities of the City (other than those financed by proprietary funds).

The City reports the following as a non-major governmental fund:

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Proprietary funds

The City reports the following major proprietary funds:

The *utility fund* is used to account for the activities regarding culinary water distribution, the operations of the sewer system, and the collection and disposal of garbage.

The *housing fund* is used to account for the operations of the City's housing projects. In the current year the City has elected to present the housing fund as a major fund.

1-E. Assets, Liabilities, and Net Position or Equity

1-E-1. Deposit and Investments

Investments are reported at fair value. Deposits are reported at cost, which approximates fair value. Investments of the City are accounts at the Utah Public Treasurers Investments Fund. Additional information is contained in Note 2.

Myton City Corporation
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

1-E. Assets, Liabilities, and Net Position or Equity (continued)

1-E-2. Cash and Cash Equivalents

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

1-E-3. Receivables and Payables

Accounts receivable other than property taxes and intergovernmental receivables are from customers primarily for utility services. Property tax and intergovernmental receivables are considered collectible. Customer accounts are reported net of an allowance for uncollectible accounts. The allowance amount is estimated using accounts receivable past due more than 90 days.

During the course of operations, there may be transactions occur between funds that are representative of lending/borrowing arrangements outstanding at year-end. These are reported as either *due to or due from other funds*.

Property taxes are assessed and collected for the City by Duchesne County and remitted to the City shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

1-E-4. Restricted Assets

In accordance with certain revenue bond covenants, resources may be required to be set aside for the repayment of such bonds, and, on occasion, for the repair and maintenance of the assets acquired with the bond proceeds. These resources are classified as restricted assets on the balance sheet because of their limited use. Most capital grant agreements mandate that grant proceeds be spent only on capital assets. Unspent resources of this nature are also classified as restricted. The limited use resources described above involve a reported restriction of both cash and net position.

Unspent proceeds of bonds issued to finance capital assets are also reported as restricted cash.

1-E-5. Inventories and Prepaid items

Inventories in governmental funds are not reported. These consist of immaterial amounts of expendable supplies for consumption. Such supplies are acquired as needed. Proprietary fund inventories, where material, are stated at the lower of cost or market, using the first-in, first-out basis.

Prepaid items record payments to vendors that benefit future reporting and are reported on the consumption basis. Both inventories and prepayments are similarly reported in government-wide and fund financial statements.

Myton City Corporation
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

1-E. Assets, Liabilities, and Net Position or Equity (continued)

1-E-6. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose³, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1-E-7. Capital Assets

Capital assets includes property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and 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 significant cost and an estimated useful life in excess of two years. Such assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure is depreciated.

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend the assets' life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. 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. Property, plant, and equipment of the primary government, as well as the component units if any, is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	10-40
Utility systems	40
Infrastructure	25
Vehicles and equipment	5-10

1-E-8. Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the terms of the respective bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

Myton City Corporation
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

1-E. Assets, Liabilities, and Net Position or Equity (continued)

1-E-9. Fund Equity

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

Committed fund balance - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority- the City Council. A vote by the City Council members is required to establish and modify or rescind a fund balance commitment.

Assigned fund balance - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Mayor is authorized to assign amounts to a specific purpose in accordance with the City's policy.

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

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

Myton City Corporation
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

1-E. Assets, Liabilities, and Net Position or Equity (continued)

1-E-10. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not currently have any deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes include 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 then. The City has only one type of deferred inflows of resources. Property taxes to be collected in November were unavailable in the current fiscal year. Accordingly, these property taxes are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

1-E-11. *Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results may differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2-A. Budgetary data

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and 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 the General Fund.. The level of the City's budgetary control (the level at which the City's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible 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 to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Any unreserved General Fund balance greater than 25% of the next year's budgeted revenues must be appropriated within the following two years.

Once adopted, the budget may be amended by the City Council without hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the Mayor, 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 are prepared on the modified accrual basis of accounting. Encumbrances are not used.

Myton City Corporation
NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

NOTE 3 - DETAILED NOTES

3-A. Deposits and investments

Cash and investments as of June 30, 2015 consist of the following:

	<u>Fair Value</u>
Cash on hand	\$ 50
Demand deposits - checking	60,084
Investments - escrow	550,812
Investments - PTIF	872,387
Total cash	<u>\$ 1,483,333</u>

Cash and investments listed above are classified in the accompanying government-wide statement of net position as follows:

Cash and cash equivalents (current)	\$ 888,104
Investments (non-current)	10,000
Restricted cash and cash equivalents (non-current)	585,229
Total cash and cash equivalents	<u>\$ 1,483,333</u>

Cash equivalents and investments are carried at fair value in accordance with GASB Statement No. 31.

The Utah Money Management Act (UMMA) establishes specific requirements regarding deposits of public funds by public treasurers. UMMA requires that city funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by the Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares. The City maintains monies not immediately needed for expenditure in PTIF accounts.

The City has \$10,000 in escrow that is to be held for fifteen years with a maturity date of February 2026. The fair value of this investment is unobservable and the effect of fair value measurement on earnings is not significant; therefore the investment is valued at cost.

Myton City Corporation
NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

3-A. Deposits and investments (continued)

Deposit and Investment Risk

The City maintains no investment policy containing any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk other than that imposed by UMMA. The City's compliance with the provisions of UMMA addresses each of these risks.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. All deposits and investments of the City are available immediately.

Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. All of the City's demand deposits are covered by FDIC insurance.

Custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. This risk is addressed through the policy of investing excess monies only in PTIF.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

3-B. Receivables

The allowance policy is described in Note 1-E-3. Receivables as of year end for the City's funds are shown below:

	General Fund	Water Fund	Housing Fund	Total
Customers, current	\$ 528	64,910	1,805	67,243
Property tax	34,465	-	-	34,465
Intergovernmental	47,310	-	-	47,310
Other receivables	2,090	80	-	2,170
Total receivables	84,393	64,990	1,805	151,188
Allowance for uncollectibles	-	(39,022)	-	(39,022)
Net receivables	<u>\$ 84,393</u>	<u>25,968</u>	<u>1,805</u>	<u>112,166</u>

Myton City Corporation
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

3-C. Capital Assets

Capital asset activity for the governmental activities was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land and rights	\$ 264,998	-	-	264,998
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>264,998</u>	<u>-</u>	<u>-</u>	<u>264,998</u>
Capital assets, being depreciated:				
Buildings	1,848,574	4,800	-	1,853,374
Improvements other than buildings	378,811	24,600	-	403,411
Machinery and equipment	557,860	70,079	-	627,939
Infrastructure	3,414,678	-	-	3,414,678
Total capital assets, being depreciated	<u>6,199,923</u>	<u>99,479</u>	<u>-</u>	<u>6,299,402</u>
Less accumulated depreciation for:				
Buildings	264,487	46,249	-	310,736
Improvements other than buildings	213,952	9,496	-	223,448
Machinery and equipment	407,004	30,105	-	437,109
Infrastructure	2,405,463	97,561	-	2,503,024
Total accumulated depreciation	<u>3,290,905</u>	<u>183,411</u>	<u>-</u>	<u>3,474,317</u>
Total capital assets being depreciated, net	<u>2,909,018</u>	<u>(83,932)</u>	<u>-</u>	<u>2,825,086</u>
Governmental activities capital assets, net	<u>\$ 3,174,015</u>	<u>(83,932)</u>	<u>-</u>	<u>3,090,083</u>

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

Governmental activities:	
General government	\$ 44,046
Public safety	7,533
Highways and public improvements	121,948
Parks, recreation and public property	9,884
Total	<u>\$ 183,411</u>

Myton City Corporation
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

3-C. Capital assets (continued)

Capital asset activity for business-type activities was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land and water shares	\$ 63,705	-	-	63,705
Construction in progress	209,978	(209,978)	-	-
Total capital assets, not being depreciated	<u>273,682</u>	<u>(209,978)</u>	<u>-</u>	<u>63,705</u>
Capital assets, being depreciated:				
Water system	\$ 1,359,216	587,207	-	1,946,423
Sewer system	1,120,297	113,046	-	1,233,342
General plant	238,442	-	-	238,442
Buildings	51,760	-	-	51,760
Total capital assets, being depreciated	<u>2,769,715</u>	<u>700,253</u>	<u>-</u>	<u>3,469,968</u>
Less accumulated depreciation for:				
Water system	783,041	28,256	-	811,297
Sewer system	831,160	26,994	-	858,154
General plant	130,413	18,905	-	149,318
Buildings	5,212	863	-	6,075
Total accumulated depreciation	<u>1,749,826</u>	<u>75,018</u>	<u>-</u>	<u>1,824,844</u>
Total capital assets being depreciated, net	<u>1,019,889</u>	<u>625,235</u>	<u>-</u>	<u>1,645,124</u>
Business-type activities capital assets, net	<u>\$ 1,293,571</u>	<u>415,257</u>	<u>-</u>	<u>1,708,828</u>

Depreciation expense was charged to functions/programs of the primary government business-type activities as follows:

Business-type activities:	
Water	\$ 28,256
Sewer	26,994
General	18,905
Housing	863
Total	<u>\$ 75,018</u>

Myton City Corporation
NOTES TO FINANCIAL STATEMENTS
 June 30, 2015

3-D. Long-term debt

	Original Principal	% Rate	6/30/2014	Additions	Reductions	6/30/2015	Due Within One Year
<u>Governmental activities:</u>							
2008 CIB Town Hall Matures 7/1/2038	\$ 430,000	-	\$ 360,000	-	14,000	346,000	14,000
Total governmental activity long-term liabilities			<u>\$360,000</u>	<u>-</u>	<u>14,000</u>	<u>346,000</u>	<u>14,000</u>

The revenue bond was issued to fund the construction of a new city hall. The bond is payable from the general fund.

Revenue bond debt service requirements to maturity for governmental activities are as follows:

	Principal	Interest	Total
2016	\$ 14,000	-	14,000
2017	14,000	-	14,000
2018	14,000	-	14,000
2019	14,000	-	14,000
2020	14,000	-	14,000
2021 - 2025	70,000	-	70,000
2026 - 2030	70,000	-	70,000
2031 - 2035	70,000	-	70,000
2036 - 2038	66,000	-	66,000
Total	<u>\$346,000</u>	<u>-</u>	<u>346,000</u>

Myton City Corporation
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

3-D. Long-term debt (continued)

	Original Principal	% Rate	6/30/2014	Additions	Reductions	6/30/2015	Due Within One Year
<u>Business-type activities:</u>							
2015 Water Tank Bond Matures 7/1/2044	\$ 539,000	1.50	-	539,000	-	539,000	14,000
Total business-type activity long-term liabilities			<u>-</u>	<u>539,000</u>	<u>-</u>	<u>539,000</u>	<u>14,000</u>

The Water Revenue bond was issued to finance construction of water facilities and is payable from the revenue generated by the water system.

Debt Service requirements to maturity for business-type activities are as follows:

	Principal	Interest	Total
2016	\$ 14,000	5,008	19,008
2017	15,000	7,875	22,875
2018	15,000	7,650	22,650
2019	15,000	7,425	22,425
2020	15,000	7,200	22,200
2021 - 2025	79,000	32,535	111,535
2026 - 2030	86,000	26,403	112,403
2031 - 2035	92,000	19,785	111,785
2036 - 2040	100,000	12,660	112,660
2041 - 2044	108,000	4,935	112,935
Total	<u>\$539,000</u>	<u>131,476</u>	<u>670,476</u>

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REQUIRED SUPPLEMENTAL INFORMATION
(Unaudited)

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Myton City Corporation
Notes to Required Supplementary Information
June 30, 2015

Budgetary Comparison Schedules

The Budgetary Comparison Schedules presented in this section of the report are for the Town's General Fund.

Budgeting and Budgetary Control

Budgets for the General Fund are legally required and are prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the Town Council prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unassigned fund balance at the end of each year.

Current Year Excess of Expenditures over Appropriations

For the year ended June 30, 2015 spending within the highways and public improvements department exceeded budgeted appropriations by \$1,663. All other departments were within the appropriated budget.

Myton City Corporation
**SCHEDULE OF REVENUES, EXPENDITUES AND
 CHANGED IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**
(Unaudited)
 For the Year Ended June 30, 2015

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 274,829	319,929	324,409	(4,480)
Licenses and permits	1,350	1,350	1,420	(70)
Intergovernmental revenues	631,500	637,450	99,986	537,464
Charges for services	28,320	28,750	21,335	7,415
Interest	3,400	3,400	3,348	52
Miscellaneous revenue	12,830	15,030	15,554	(524)
Total revenues	<u>952,229</u>	<u>1,005,909</u>	<u>466,052</u>	<u>539,857</u>
Expenditures				
General government	796,101	962,063	449,596	512,467
Public safety	154,692	149,350	154,218	(4,868)
Highways and public improvements	36,125	33,655	24,101	9,554
Parks and recreation	35,000	24,800	25,330	(530)
Total expenditures	<u>1,021,918</u>	<u>1,169,868</u>	<u>653,245</u>	<u>516,623</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(69,689)	(163,959)	(187,193)	23,234
Other Financing Sources and (Uses)				
Transfers out	(14,000)	(81,343)	(81,343)	-
Net Change in Fund Balances	(83,689)	(245,302)	(268,536)	23,324
Fund Balances - beginning of year	487,048	487,048	487,048	-
Fund Balances - end of year	<u>\$403,359</u>	<u>241,746</u>	<u>(755,584)</u>	<u>23,324</u>