

Myton City Corporation
Duchesne County, Utah

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2013

Myton City Corporation
TABLE OF CONTENTS
 June 30, 2013

	<u>Beginning on page</u>
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	13
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Position - Proprietary Funds	22
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24
Notes to Financial Statements	26
REQUIRED SUPPLEMENTARY INFORMATION	45
Schedule of Revenues, Expenditure, and changes in Fund Balances - Budget and Actual - General Fund	48
Schedule of the Proportionate Share of the Net Pension Liability - Utah Retirement Systems	49
Schedule of Contributions - Utah Retirement Systems	50
Notes to Required Supplementary Information - Utah Retirement Systems	51
OTHER INFORMATION	-
Report on Internal Control of Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	53
Independent Auditors' Report on Compliance in Accordance with the <i>State Compliance Audit Guide</i>	55

Accountant's Report - placeholder only

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Myton City Corporation
Management's Discussion and Analysis
June 30, 2013

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, 2013.

FINANCIAL HIGHLIGHTS

- *Total net position for the City as a whole decreased by \$167,212.
- *Total unrestricted net position for the City as a whole decreased by \$122,427.
- *Total net position for governmental activities decreased by \$81,086.
- *Total net position for business-type activities increased by \$248,297.

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
Management's Discussion and Analysis
June 30, 2013

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.

Myton City Corporation
Management's Discussion and Analysis
June 30, 2013

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	\$ 731,754	837,656	860,708	588,963	1,592,462	1,426,618
Non-current assets	3,315,804	3,287,840	1,119,779	1,117,042	4,435,583	4,404,881
Total assets	<u>4,047,557</u>	<u>4,125,495</u>	<u>1,980,487</u>	<u>1,706,004</u>	<u>6,028,045</u>	<u>5,831,500</u>
Deferred outflows of resources	-	-	-	-	-	-
Current liabilities	30,827	17,098	59,611	33,425	90,438	50,524
Long-term liabilities	374,000	388,000	-	-	374,000	388,000
Total liabilities	<u>404,827</u>	<u>405,098</u>	<u>59,611</u>	<u>33,425</u>	<u>464,438</u>	<u>438,524</u>
Deferred inflows of resources	<u>24,150</u>	<u>20,648</u>	<u>-</u>	<u>-</u>	<u>24,150</u>	<u>20,648</u>
Net position:						
Net investment in capital assets	2,941,804	2,899,840	1,119,779	1,117,042	4,061,583	4,016,881
Restricted	-	-	-	-	-	-
Unrestricted	676,777	799,909	801,097	555,537	1,477,874	1,355,447
Total net position	<u>\$ 3,618,580</u>	<u>3,699,749</u>	<u>1,920,876</u>	<u>1,672,579</u>	<u>5,539,457</u>	<u>5,372,328</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 \$5,539,457, an increase of \$167,129 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 \$1,477,874, which represents a decrease of \$122,427 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, 2013

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	\$ 34,340	39,339	640,242	457,732	674,582	497,071
Operating grants	184,162	136,232	-	322,319	184,162	458,551
Capital grants	-	-	-	-	-	-
General revenues:						
Property taxes	67,190	54,824	-	-	67,190	54,824
Sales tax	198,840	290,487	-	-	198,840	290,487
Other taxes	48,689	43,692	-	-	48,689	43,692
Other revenues	22,281	18,629	2,120	2,274	24,402	20,904
Total revenues	555,502	583,204	642,362	782,326	1,197,864	1,365,530
Expenses:						
General government	281,648	233,553	-	-	281,648	233,553
Public safety	84,163	95,639	-	-	84,163	95,639
Highways and improvements	238,970	428,319	-	-	238,970	428,319
Parks and recreation	31,807	36,289	-	-	31,807	36,289
Public utility	-	-	387,896	373,722	387,896	373,722
Housing	-	-	6,169	931	6,169	931
Total expenses	636,588	793,800	394,065	374,653	1,030,653	1,168,453
Change in net position	\$ (81,086)	(210,596)	248,297	407,673	167,212	197,076

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 \$167,212 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 \$555,502 decreased during the year by \$58,415. This is primarily due to grant proceeds in the prior year. Governmental activities expenses of \$636,588 increased by \$234,436 during the year.

Business-type activities revenues of \$642,362 decreased by \$11,807 during the year. Business-type activities expenses of \$394,065 were less than the previous year by \$19,412.

Myton City Corporation
Management's Discussion and Analysis
June 30, 2013

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.

Myton City Corporation
Management's Discussion and Analysis
June 30, 2013

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	\$ 255,407	28,469	63,705	63,705	319,111	92,174
Buildings	1,848,574	1,848,574	51,760	51,760	1,900,334	1,900,334
Improvements other than buildings	366,954	366,954	-	-	366,954	366,954
Machinery and equipment	552,342	552,342	-	-	552,342	552,342
Infrastructure	3,384,716	3,384,716	-	-	3,384,716	3,384,716
Water system	-	-	1,359,216	986,530	1,359,216	986,530
Sewer system	-	-	1,120,297	1,120,297	1,120,297	1,120,297
General plant	-	-	194,367	194,367	194,367	194,367
Construction in progress	-	-	11,229	315,130	11,229	315,130
Total	6,407,993	6,181,055	2,800,574	2,731,789	9,208,567	8,912,844
Less accumulated depreciation	<u>(3,092,189)</u>	<u>(2,893,216)</u>	<u>(1,680,795)</u>	<u>(1,614,747)</u>	<u>(4,772,984)</u>	<u>(4,507,963)</u>
Net capital assets	<u>\$ 3,315,804</u>	<u>3,287,840</u>	<u>1,119,779</u>	<u>1,117,042</u>	<u>4,435,583</u>	<u>4,404,881</u>

The total amount of capital assets, net of depreciation, of \$4,435,583 is an increase of \$30,702 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, 2013

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	\$ 374,000	388,000
Total governmental	<u>374,000</u>	<u>388,000</u>
Business-type activities:		
2015 Water Revenue	-	-
Total usiness-type	<u>-</u>	<u>-</u>
Total outstanding debt	<u>\$ 374,000</u>	<u>388,000</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, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Current Assets:			
Cash and cash equivalents	\$ 658,880	816,114	1,474,994
Accounts receivable, net	62,873	30,398	93,272
Total current assets	721,754	846,512	1,568,266
Non-current assets:			
Restricted cash and cash equivalents	-	14,196	14,196
Investments	10,000	-	10,000
Capital assets:			
Not being depreciated	255,407	53,882	309,288
Net of accumulated depreciation	3,060,397	1,065,898	4,126,295
Total non-current assets	3,325,804	1,133,975	4,459,779
Total assets	4,047,557	1,980,487	6,028,045
Deferred outflow of resources - pensions	-	-	-
Total assets and deferred outflows of resources	\$ 4,047,557	1,980,487	6,028,045
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Liabilities:			
Current Liabilities:			
Accounts payable	\$ 30,827	45,445	76,272
Customer security deposits	-	14,166	14,166
Revenue bonds due within one year	14,000	-	14,000
Total current liabilities	44,827	59,611	104,438
Non-current liabilities:			
Revenue bonds due after one year	360,000	-	360,000
Net pension liability	-	-	-
Total non-current liabilities	360,000	-	360,000
Total liabilities	404,827	59,611	464,438
Deferred inflows of resources	24,150	-	24,150
Total liabilities and deferred inflows of resources	428,977	59,611	488,588
NET POSITION:			
Net investment in capital assets	2,941,804	1,119,779	4,061,583
Debt Service	-	-	-
Construction	-	-	-
Unrestricted	676,777	801,097	1,477,874
Total net position	3,618,580	1,920,876	5,539,457
Total liabilities, deferred inflows of resources and net position	\$ 4,047,557	1,980,487	6,028,045

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, 2013

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue (To Next Page)
<u>FUNCTIONS/PROGRAMS:</u>					
Primary government:					
Governmental activities:					
Administration	\$ 281,648	3,142	128,219	130,737	(19,550)
Public safety	84,163	26,623	14,146	-	(43,394)
Streets and highways	238,970	-	41,797	-	(197,173)
Parks and recreation	31,807	4,575	-	-	(27,232)
Total governmental activities	<u>636,588</u>	<u>34,340</u>	<u>184,162</u>	<u>130,737</u>	<u>(287,349)</u>
Business-type activities:					
Water	387,896	633,642	-	-	245,746
Housing	6,169	6,600	-	-	431
Total business-type activities	<u>\$ 394,065</u>	<u>640,242</u>	<u>-</u>	<u>-</u>	<u>246,177</u>
Total primary government	<u><u>1,030,653</u></u>	<u><u>674,582</u></u>	<u><u>184,162</u></u>	<u><u>130,737</u></u>	<u><u>(41,172)</u></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, 2013

	Governmental Activities	Business-type Activities	Total
CHANGES IN NET POSITION:			
Net (expense) revenue (from previous page)	<u>\$ (287,349)</u>	<u>246,177</u>	<u>(41,172)</u>
General revenues:			
Property taxes	67,190	-	67,190
Sales tax	198,840	-	198,840
Other taxes	48,689	-	48,689
Unrestricted investment earnings	3,967	2,120	6,087
Miscellaneous	<u>18,314</u>	<u>-</u>	<u>18,314</u>
Total general revenues	<u>337,000</u>	<u>2,120</u>	<u>339,120</u>
Change in net position	49,651	248,297	297,948
Net position - beginning	<u>3,699,749</u>	<u>1,672,579</u>	<u>5,372,328</u>
Net position - ending	<u>\$ 3,749,400</u>	<u>1,920,876</u>	<u>5,670,276</u>

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

Myton City Corporation
BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2013

	General Fund	Capital Projects Fund	Nonmajor Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 424,863	232,807	1,210	658,880
Receivables, net	62,873	-	-	62,873
Restricted cash and cash equivalents	-	-	-	-
TOTAL ASSETS	\$ 487,737	232,807	1,210	721,754
 LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities:				
Accounts payable	\$ 30,827	-	-	30,827
Total liabilities	30,827	-	-	30,827
Deferred inflows of resources	28,576	-	-	28,576
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	59,403	-	-	59,403
 FUND BALANCES:				
Restricted for:				
Debt service	-	-	-	-
Assigned for:				
Capital projects	-	246,807	-	246,807
Debt service	-	-	1,210	1,210
Unassigned	428,334	-	-	428,334
TOTAL FUND BALANCES	428,334	246,807	1,210	676,351
 TOTAL LIABILITIES AND FUND BALANCES	\$ 487,737	246,807	1,210	735,754

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, 2013

	General Fund	Capital Projects Fund	Nonmajor Debt Service Fund	Total Governmental Funds
REVENUES:				
Taxes:				
Property	\$ 67,190	-	-	67,190
Sales	198,840	-	-	198,840
Other taxes	48,689	-	-	48,689
Licenses and permits	1,752	-	-	1,752
Intergovernmental revenues	184,162	130,737	-	314,899
Charges for services	32,588	-	-	32,588
Interest	3,862	-	105	3,967
Miscellaneous revenue	18,314	-	-	18,314
Total revenues	<u>555,397</u>	<u>130,737</u>	<u>105</u>	<u>686,239</u>
EXPENDITURES:				
General government	237,645	-	-	237,645
Public safety	60,455	-	-	60,455
Highways and public improvements	24,327	93,229	-	117,556
Parks, recreation and public property	21,958	-	-	21,958
Capital outlay	38,439	319,318	-	357,757
Debt service:				
Principal	-	-	14,000	14,000
Total expenditures	<u>382,824</u>	<u>412,547</u>	<u>14,000</u>	<u>809,371</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>172,572</u>	<u>(281,810)</u>	<u>(13,895)</u>	<u>(123,133)</u>
Other Financing Sources and (Uses):				
Transfers in	-	122,604	14,000	136,604
Transfers out	(136,604)	-	-	(136,604)
Total other financing sources and (uses)	<u>(136,604)</u>	<u>122,604</u>	<u>14,000</u>	<u>-</u>
Net Change in Fund Balances	35,968	(159,206)	105	(123,133)
Fund balances - beginning of year	392,366	392,013	1,104	785,483
Fund balances - end of year	<u><u>\$ 428,334</u></u>	<u><u>232,807</u></u>	<u><u>1,210</u></u>	<u><u>662,351</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, 2013

Total Fund Balances for Governmental Funds	<u>\$ 662,351</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	6,407,993
Less accumulated depreciation	<u>(3,092,189)</u>
Net capital assets	<u>3,315,804</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>-</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>(374,000)</u>
Net pension liability	<u>-</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>4,426</u>
Deferred inflows of resources - pensions	<u>-</u>
Total Net Position of Governmental Activities	<u><u>\$ 3,618,580</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, 2013

Net Change in Fund Balances - Total Governmental Funds \$ (123,133)

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	357,757
Depreciation expense	(198,974)
Net	<u>158,784</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>-</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>-</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 49,651</u></u>
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The notes to the financial statements are an integral part of this statement.

Myton City Corporation
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2013

	Utility Fund	Housing Fund	Total Enterprise Funds
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 797,314	18,800	816,114
Accounts receivable, net	29,460	938	30,398
Total current assets	826,774	19,738	846,512
Non-current assets:			
Restricted cash and cash equivalents	14,196	-	14,196
Capital assets:			
Not being depreciated	23,729	30,153	53,882
Net of accumulated depreciation	1,018,487	47,411	1,065,898
Total non-current assets	1,056,412	77,563	1,133,975
Total assets	1,883,186	97,301	1,980,487
Deferred outflows of resources - pensions	-	-	-
Total assets and deferred outflows of resources	\$ 1,883,186	97,301	1,980,487
LIABILITIES:			
Current liabilities:			
Accounts payable	\$ 44,462	983	45,445
Customer security deposits	14,166	-	14,166
Accrued interest payable	-	-	-
Revenue bonds, current portion	-	-	-
Total current liabilities	58,628	983	59,611
Non-current liabilities:			
Revenue bonds, long-term	-	-	-
Net pension liability	-	-	-
Total liabilities	58,628	983	59,611
Deferred inflows of resources	-	-	-
Total liabilities and deferred inflows ow resources	58,628	983	59,611
NET POSITION:			
Net Investment in capital assets	1,042,216	77,563	1,119,779
Construction	-	-	-
Unrestricted	782,342	18,755	801,097
Total net position	1,824,558	96,318	1,920,876
Total liabilities, deferred inflows and net position	\$ 1,883,186	97,301	1,980,487

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, 2013

	Utility Fund	Housing Fund	Total Enterprise Funds
Operating income:			
Charges for sales and service	\$ 373,745	6,600	380,345
Connection fees	1,900	-	1,900
Other operating income	257,997	-	257,997
Total operating revenue	<u>633,642</u>	<u>6,600</u>	<u>640,242</u>
Operating expenses:			
Personal services	115,648	-	115,648
Cost of sales	128,775	-	128,775
Utilities	10,380	2,311	12,691
Repair & maintenance	17,960	2,058	20,018
Other supplies & expenses	47,548	778	48,325
Insurance expense	2,400	160	2,560
Depreciation expense	65,185	863	66,047
Total operating expense	<u>387,896</u>	<u>6,169</u>	<u>394,065</u>
Net operating income (loss)	<u>245,746</u>	<u>431</u>	<u>246,177</u>
Non-operating income (expense):			
Interest income	2,055	65	2,120
Interest on long-term debt	-	-	-
Total non-operating income (expense)	<u>2,055</u>	<u>65</u>	<u>2,120</u>
Change in net position	247,801	496	248,297
Net position, beginning	<u>1,576,757</u>	<u>95,822</u>	<u>1,672,579</u>
Net position, ending	<u>\$ 1,824,558</u>	<u>96,318</u>	<u>1,920,876</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, 2013

	Utility Fund	Housing Fund	Total Enterprise Funds
Cash flows from operating activities:			
Cash received from customers - service	\$ 634,433	7,530	641,963
Cash paid to suppliers	(182,265)	(4,323)	(186,589)
Cash paid to employees	(115,648)	-	(115,648)
Net cash provided (used) in operating activities	<u>336,520</u>	<u>3,207</u>	<u>339,727</u>
Cash flows from noncapital financing activities:			
Change in customer deposits	405	-	405
Net cash provided (used) in noncapital financing activities	<u>405</u>	<u>-</u>	<u>405</u>
Cash flows from capital and related financing activities:			
Cash payments for capital assets	(68,785)	-	(68,785)
Cash payments for long-term debt	-	-	-
Net cash provided (used) in capital and related financing activities	<u>(68,785)</u>	<u>-</u>	<u>(68,785)</u>
Cash flows from investing activities:			
Cash received from interest earned	2,055	65	2,120
Net cash provided (used) in investing activities	<u>2,055</u>	<u>65</u>	<u>2,120</u>
Net increase (decrease) in cash	270,196	3,272	273,467
Cash balance, beginning	541,314	15,529	556,843
Cash balance, ending	<u>\$ 811,510</u>	<u>18,800</u>	<u>830,310</u>
Cash reported on the statement of net position:			
Cash and cash equivalents	\$ 797,314	18,800	816,114
Non-current restricted cash	14,196	-	14,196
Total cash and cash equivalents	<u>\$ 811,510</u>	<u>18,800</u>	<u>830,310</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, 2013

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

	Utility Fund	Housing Fund	Total Enterprise Funds
Net operating income (expense)	\$ 245,746	431	246,177
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:			
Depreciation and amortization	65,185	863	66,047
Changes in assets and liabilities:			
(Increase) decrease in receivables	792	930	1,722
Increase (decrease) in payables	24,798	983	25,781
Net cash provided (used) in operating activities	\$ 336,520	3,207	339,727

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

Myton City Corporation
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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, 2013

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, 2013

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, 2013

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, 2013

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, 2013

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, 2013

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, 2013

NOTE 3 - DETAILED NOTES

3-A. Deposits and investments

Cash and investments as of June 30, 2013 consist of the following:

	Fair Value
Cash on hand	\$ 50
Demand deposits - checking	329,738
Investments - escrow	10,000
Investments - PTIF	1,159,402
Total cash	\$ 1,499,190

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

Cash and cash equivalents (current)	\$ 1,474,994
Investments (non-current)	10,000
Restricted cash and cash equivalents (non-current)	14,196
Total cash and cash equivalents	\$ 1,499,190

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, 2013

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	\$ 395	57,412	1,805	59,612
Property tax	28,783	-	-	28,783
Intergovernmental	30,408	-	-	30,408
Other receivables	3,287	80	-	3,367
Total receivables	62,873	57,492	1,805	122,170
Allowance for uncollectibles	-	(28,031)	(867)	(28,898)
Net receivables	\$ 62,873	29,460	938	93,272

Myton City Corporation
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

3-C. Capital Assets

Capital asset activity for the governmental activities was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and rights	\$ 28,469	356,739	129,801	255,407
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	28,469	356,739	129,801	255,407
Capital assets, being depreciated:				
Buildings	1,848,574	-	-	1,848,574
Improvements other than buildings	366,954	-	-	366,954
Machinery and equipment	552,342	-	-	552,342
Infrastructure	3,384,716	-	-	3,384,716
Total capital assets, being depreciated	6,152,586	-	-	6,152,586
Less accumulated depreciation for:				
Buildings	172,058	46,214	-	218,272
Improvements other than buildings	195,592	9,174	-	204,766
Machinery and equipment	313,548	46,881	-	360,428
Infrastructure	2,212,018	96,705	-	2,308,723
Total accumulated depreciation	2,893,216	198,974	-	3,092,189
Total capital assets being depreciated, net	3,259,371	(198,974)	-	3,060,397
Governmental activities capital assets, net	\$ 3,287,840	157,765	129,801	3,315,804

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

Governmental activities:	
General government	\$ 44,003
Public safety	23,708
Highways and public improvements	121,414
Parks, recreation and public property	9,849
Total	\$ 198,974

Myton City Corporation
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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	315,130	(303,901)	-	11,229
Total capital assets, not being depreciated	<u>378,835</u>	<u>(303,901)</u>	<u>-</u>	<u>74,934</u>
Capital assets, being depreciated:				
Water system	\$ 986,530	372,686	-	1,359,216
Sewer system	1,120,297	-	-	1,120,297
General plant	194,367	-	-	194,367
Buildings	51,760	-	-	51,760
Total capital assets, being depreciated	<u>2,352,954</u>	<u>372,686</u>	<u>-</u>	<u>2,725,640</u>
Less accumulated depreciation for:				
Water system	728,934	25,561	-	754,495
Sewer system	782,589	24,285	-	806,875
General plant	99,737	15,338	-	115,075
Buildings	3,487	863	-	4,349
Total accumulated depreciation	<u>1,614,747</u>	<u>66,047</u>	<u>-</u>	<u>1,680,795</u>
Total capital assets being depreciated, net	<u>738,207</u>	<u>306,639</u>	<u>-</u>	<u>1,044,846</u>
Business-type activities capital assets, net	<u>\$ 1,117,042</u>	<u>2,738</u>	<u>-</u>	<u>1,119,779</u>

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

Business-type activities:	
Water	\$ 25,561
Sewer	24,285
General	15,338
Housing	863
Total	<u>\$ 66,047</u>

Myton City Corporation
NOTES TO FINANCIAL STATEMENTS
 June 30, 2013

3-D. Long-term debt

	Original Principal	% Rate	6/30/2012	Additions	Reductions	6/30/2013	Due Within One Year
<u>Governmental activities:</u>							
2008 CIB Town Hall Matures 7/1/2038	\$ 430,000	-	\$ 388,000	-	14,000	374,000	14,000
Total governmental activity long-term liabilities			<u>\$388,000</u>	<u>-</u>	<u>14,000</u>	<u>374,000</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
2014	\$ 14,000	-	14,000
2015	14,000	-	14,000
2016	14,000	-	14,000
2017	14,000	-	14,000
2018	14,000	-	14,000
2019 - 2023	70,000	-	70,000
2024 - 2028	70,000	-	70,000
2029 - 2033	70,000	-	70,000
2034 - 2038	70,000	-	70,000
2039 - 2038	24,000	-	24,000
Total	<u>\$374,000</u>	<u>-</u>	<u>374,000</u>

Myton City Corporation
NOTES TO FINANCIAL STATEMENTS
 June 30, 2013

3-D. Long-term debt (continued)

	Original Principal	%	6/30/2012	Additions	Reductions	6/30/2013	Due Within One Year
<u>Business-type activities:</u>							
Total business-type activity long-term liabilities			-	-	-	-	-

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
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019 - 2023	-	-	-
2024 - 2028	-	-	-
2029 - 2033	-	-	-
2034 - 2038	-	-	-
2039 - 2043	-	-	-
2044 - 2044	-	-	-
Total	-	-	-

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REQUIRED SUPPLEMENTAL INFORMATION
(Unaudited)

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Myton City Corporation
Notes to Required Supplementary Information
June 30, 2013

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, 2013 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, 2013

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 392,548	324,015	314,719	9,296
Licenses and permits	1,500	1,770	1,752	18
Intergovernmental revenues	233,200	227,620	184,162	43,458
Charges for services	9,700	32,625	32,588	37
Interest	2,500	3,850	3,862	(12)
Miscellaneous revenue	2,050	17,620	18,314	(694)
Total revenues	<u>641,498</u>	<u>607,500</u>	<u>555,397</u>	<u>52,103</u>
Expenditures				
General government	347,919	358,956	276,084	82,872
Public safety	70,600	61,770	60,455	1,315
Highways and public improvements	54,875	23,645	24,327	(682)
Parks and recreation	31,500	26,525	21,958	4,567
Total expenditures	<u>504,894</u>	<u>470,896</u>	<u>382,824</u>	<u>88,072</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	136,604	136,604	172,572	(35,968)
Other Financing Sources and (Uses)				
Transfers out	(136,604)	(136,604)	(136,604)	-
Net Change in Fund Balances	(83,689)	(245,302)	35,968	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>(451,080)</u>	<u>23,324</u>