



## NOTICE AND AGENDA

NOTICE IS HEREBY GIVEN TO THE HILDALE CITY COUNCIL AND THE PUBLIC, THAT THE HILDALE CITY COUNCIL WILL HOLD A COUNCIL MEETING ON WEDNESDAY THE 12TH DAY OF FEBRUARY 2020 AT HILDALE CITY HALL, 320 EAST, NEWEL AVENUE, WHICH MEETING SHALL BEGIN AT 6:30 P.M. MDT.

THE AGENDA SHALL BE AS FOLLOWS:

1. WELCOME, INTRODUCTION AND PRELIMINARY MATTERS
2. PLEDGE OF ALLEGIANCE
3. CONFLICT OF INTEREST DISCLOSURES
4. APPROVAL OF MINUTES OF PREVIOUS MEETINGS
5. PRESENTATION OF MILITARY EMPLOYER AWARD
6. PROCLAMATION OF DAY OF HOPE
7. PUBLIC COMMENT
8. INFORMATIONAL SUMMARIES
  - A. PRESENTATION BY HINTON BURDICK RE: FY2019 AUDIT
9. COUNCIL COMMENTS
10. OVERSIGHT ITEMS:
  - A. FINANCIAL AND CHECK REGISTRY REVIEW AND APPROVAL
  - B. RATIFICATION OF UTILITY BOARD ACTIONS
  - C. MANAGEMENT REPORTS
  - D. MAYOR'S REPORT
11. CONSENT AGENDA:
  - A. COLLECTION SERVICE AGREEMENT WITH PROFESSIONAL CREDIT SERVICE
12. UNFINISHED COUNCIL BUSINESS
  - A. AMENDMENTS TO HILDALE CITY CURFEW ORDINANCE
  - B. 4-WAY STOP AT NEWEL AVE & MEMORIAL ST
13. NEW COUNCIL BUSINESS

Agenda items and any variables thereto are set for consideration, discussion, approval or other action. Council Members may be attending by telephone. Agenda is subject to change up to 24 hours prior to the meeting. Individuals needing special accommodations should notify the City Recorder at 435-874-2323 at least three days prior to the meeting.

- A. FULL-SERVICE RESTAURANT LIQUOR LICENSE LOCAL CONSENT FOR ZION CLIFF LODGE
  - B. APPOINTMENTS TO HILDALE-COLORADO CITY UTILITY BOARD
  - C. CHANGES TO RULES OF ORDER AND PROCEDURE (CHRISTIAN KESSELRING, CITY MANAGER)
  - D. PROPOSED ATV ORDINANCE
  - E. DISCUSSION ON LETTER FROM ROGER CARTER, COURT MONITOR, CONCERNING AGREEMENT TO WAIVE IMPACT FEES FOR SOUTH ZION ESTATES
- 14. PRIORITIZATION OF WORK SESSION ITEMS
  - 15. EXECUTIVE SESSION (AS NEEDED)
  - 16. CALENDAR OF UPCOMING EVENTS
  - 17. SCHEDULING
  - 18. ADJOURNMENT

Agenda items and any variables thereto are set for consideration, discussion, approval or other action. Council Members may be attending by telephone. Agenda is subject to change up to 24 hours prior to the meeting. Individuals needing special accommodations should notify the City Recorder at 435-874-2323 at least three days prior to the meeting.

**From:** Misty Nicol <[misty.nicol@washk12.org](mailto:misty.nicol@washk12.org)>  
**Sent:** Monday, October 7, 2019 2:22:59 PM  
**To:** Mayor <[mayor@hildalecity.com](mailto:mayor@hildalecity.com)>  
**Cc:** Wendee Wilkinson (WCHS) <[wendee.wilkinson@washk12.org](mailto:wendee.wilkinson@washk12.org)>  
**Subject:** #DAYOFHOPE: HAVE HILDALE HELP LIGHT UP THE STATE

Dear Mayor Donia,

This year, on Wednesday, February 12th, 2020, we are part of a call to action that will change the calendar and help make history. We are celebrating a day dedicated to providing hope – when students, families, businesses, community centers and more, will all come together for #DayofHope – a movement to empower those struggling with mental health issues and recognize the importance of hope when struggling with mental health issues. Suicide prevention and mental health have already been at the forefront of national attention, particularly in the state of Utah. Suicide has consistently been the number one cause of death among Utah youth ages 10 to 17 years old.

In 2017, Utah ranked 6th in the nation in suicide. The national rate of suicide in Utah is 22.74 per 100,000 population, a rate of 8.74 higher than the national average. Over twelve times as many people died by suicide in Utah than in alcohol-related motor vehicle accidents. It is of the utmost importance that this matter is brought to the forefront of our communities.

As a representative of the Hope Squad from the City of, we would like to respectfully request that the City of officially proclaim February 12th, 2020 as #DayofHope. The City of can really help to make #DayofHope something that will change the way we think about mental health and suicide prevention for generations to come.

The campaign provides a framework and ideas for people to choose their own best way to contribute to their communities and will provide the citizens of with an opportunity to empower their friends and family members with mental health issues.

For additional information, please visit the website at [www.hope4utah.org](http://www.hope4utah.org). It would truly be an honor to have the City of Hildale formally proclaim #DayofHope as a day of empowerment. Thank you for considering our request.

Misty Nicol  
Water Canyon HS HOPE SQUAD  
HOPE4UTAH

**HILDALE CITY, UTAH**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**



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## **Independent Auditor's Report**

The Honorable Mayor and City Council  
Hildale City, Utah

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hildale City, Utah (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

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

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



HintonBurdick, PLLC  
St. George, Utah  
January 6, 2020

**HILDALE CITY, UTAH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

As management of Hildale City, Utah (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. Please read it in conjunction with the accompanying basic financial statements.

**FINANCIAL HIGHLIGHTS**

- Total net position increased by \$129,997 for the fiscal year.
- Total governmental revenues exceeded total governmental expenses by \$41,671.
- Total business-type revenues exceeded total business-type expenses by \$88,326, which includes affiliate revenue and expense of \$570,942 and \$592,268, respectively.
- Total revenues from all sources were \$3,235,171, which includes revenue from affiliates of \$570,942.
- The total cost of all city programs was \$3,105,174, which includes expenses from affiliates of \$592,268.
- The general fund reported revenues under expenditures (including other financing sources and uses) of \$385,481.
- Actual resources received (including other financing sources) in the general fund were less than the final budget by \$1,660,722, while actual expenditures (including other financing uses) were \$1,588,255 less than the final budget.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$327,878 or 17.0% of total general fund expenditures.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The three components of the financial statements are: (1) Government-wide financial statements which include the statement of net position and the statement of activities. These statements provide information about the activities of the City as a whole. (2) Fund financial statements present how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. (3) Notes to the financial statements.

**Reporting the City as a Whole**

**The Statement of Net Position and the Statement of Activities (Government-wide)**

A frequently asked question regarding the City's financial health is whether the year's activities contributed positively to the overall financial well-being. The statement of net position and the statement of activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. Net position, essentially the difference between assets (and deferred outflows of resources) and liabilities (and deferred inflows of resources), is one way to measure the City's financial health, or financial position. Over time, increases or decreases in net position is an indicator of whether the financial health is improving or deteriorating. However, it is important to consider other non-financial factors such as changes in the City's property tax base or condition of the City's roads to accurately assess the overall health of the City.

The statement of net position and the statement of activities present information about the following:

- Government activities – All of the City's basic services are considered to be governmental activities, including general government, public safety, public works, parks and recreation, highways and streets, and interest on long-term debt. Property taxes, sales tax, intergovernmental revenues and charges for services finance most of these activities.
- Proprietary activities/Business type activities – The City charges a fee to customers to cover all or most of the cost of the services provided.

## **Reporting the City's Most Significant Funds**

### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, management establishes many other funds which aid in the management of money for particular purposes or meet legal responsibilities associated with the usage of certain taxes, grants, and other money. The City's two major kinds of funds, governmental and proprietary, use different accounting approaches as explained below.

- Governmental funds – Most of the City's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Government fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation included with the basic financial statements.
- Proprietary funds – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the City's financial position. The City's combined assets are greater than liabilities (and deferred inflows of resources) by \$9,556,799 (governmental and business-type activities) as of June 30, 2019 as shown in the following condensed statement of net position. The City accounts for its sewer operations in an enterprise fund, which is shown as business-type activities.

### Hildale City Statement of Net Position

	Governmental activities		Business-type activities		Totals	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Current and other assets	\$ 1,478,168	\$ 1,948,474	\$ 751,553	\$ 571,617	\$ 2,229,721	\$ 2,520,091
Capital assets	5,042,120	4,659,688	4,408,444	4,742,779	9,450,564	9,402,467
Investment in affiliates	-	-	1,467,664	1,488,990	1,467,664	1,488,990
Total assets	<u>6,520,288</u>	<u>6,608,162</u>	<u>6,627,661</u>	<u>6,803,386</u>	<u>13,147,949</u>	<u>13,411,548</u>
Long-term liabilities outstanding	1,028,271	1,110,863	2,131,103	2,339,855	3,159,374	3,450,718
Other liabilities	291,688	338,666	44,108	99,407	335,796	438,073
Total liabilities	<u>1,319,959</u>	<u>1,449,529</u>	<u>2,175,211</u>	<u>2,439,262</u>	<u>3,495,170</u>	<u>3,888,791</u>
Deferred inflows of resources	95,980	95,955	-	-	95,980	95,955
Net position:						
Net investment in capital assets	4,013,849	3,548,825	2,351,078	2,550,324	6,364,927	6,099,149
Invested in affiliates	-	-	1,467,664	1,488,990	1,467,664	1,488,990
Restricted	59,512	51,430	302,240	266,690	361,752	318,120
Unrestricted	1,030,988	1,462,423	331,468	58,120	1,362,456	1,520,543
Total net position	<u>\$ 5,104,349</u>	<u>\$ 5,062,678</u>	<u>\$ 4,452,450</u>	<u>\$ 4,364,124</u>	<u>\$ 9,556,799</u>	<u>\$ 9,426,802</u>

## Governmental Activities

The cost of all governmental activities this year was \$1,741,685. As shown on the statement of changes in net position below, \$560,325 of this cost was paid for by those who directly benefited from the programs and \$332,911 was subsidized by grants and contributions received from other governmental organizations and others for both capital and operating activities. Overall governmental program revenues, including intergovernmental aid and fees for services, but excluding general revenues were \$893,236. General revenues totaled \$890,120.

The City's programs include: general government, public safety, highways and streets/public works, and parks and recreation. Each program's revenues and expenses are presented below.

### Hildale City Changes in Net Position

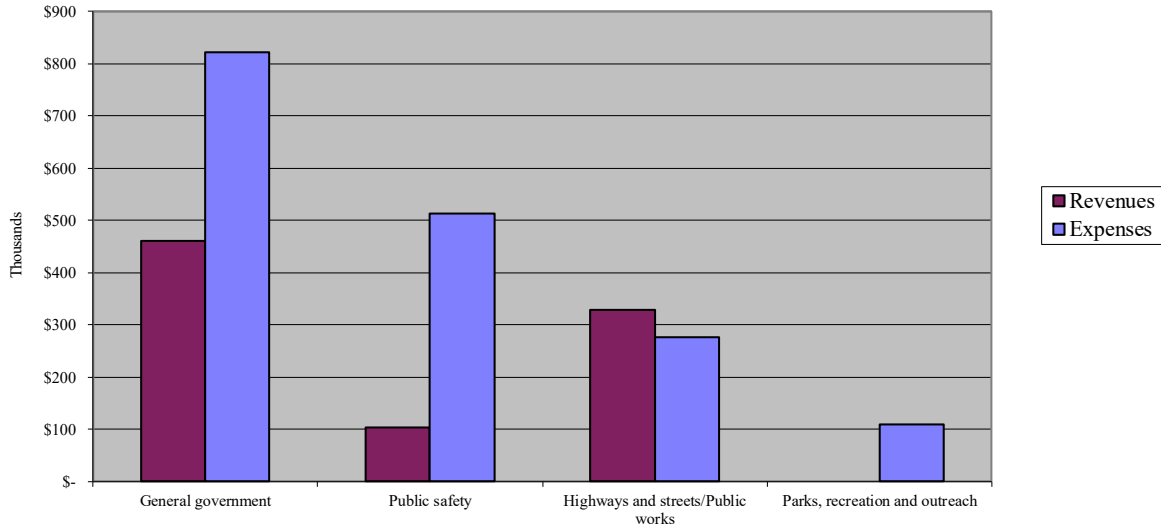
	Governmental activities		Business-type activities		Totals	
	6/30/2019	6/30/2018	6/30/2019	6/30/2018	6/30/2019	6/30/2018
Revenues:						
Program revenues:						
Charges for services	\$ 560,325	\$ 568,448	\$ 824,904	\$ 868,159	\$ 1,385,229	\$ 1,436,607
Operating grants and contributions	140,254	121,825	-	-	140,254	121,825
Capital grants and contributions	192,657	273,855	47,476	148,223	240,133	422,078
General revenues:					-	-
Taxes	803,943	987,772	-	-	803,943	987,772
Other revenue/(expense)	86,177	183,583	17,749	11,035	103,926	194,618
Affiliate revenue	-	-	561,686	584,110	561,686	584,110
Total revenues	<u>1,783,356</u>	<u>2,135,483</u>	<u>1,451,815</u>	<u>1,611,527</u>	<u>3,235,171</u>	<u>3,747,010</u>
Expenses:						
General government	822,785	854,956	-	-	822,785	854,956
Public safety	512,518	550,134	-	-	512,518	550,134
Highways and streets/Public works	277,216	279,065	-	-	277,216	279,065
Parks and recreation	109,241	34,954	-	-	109,241	34,954
Interest on long-term debt	19,925	9,977	80,227	82,090	100,152	92,067
Sewer	-	-	690,994	811,164	690,994	811,164
Affiliate expenses	-	-	592,268	706,095	592,268	706,095
Total expenses	<u>1,741,685</u>	<u>1,729,086</u>	<u>1,363,489</u>	<u>1,599,349</u>	<u>3,105,174</u>	<u>3,328,435</u>
Increase (decrease) in net position	41,671	406,397	88,326	12,178	129,997	418,575
Net position, beginning	<u>5,062,678</u>	<u>4,656,281</u>	<u>4,364,124</u>	<u>4,351,946</u>	<u>9,426,802</u>	<u>9,008,227</u>
Net position, ending	<u>\$ 5,104,349</u>	<u>\$ 5,062,678</u>	<u>\$ 4,452,450</u>	<u>\$ 4,364,124</u>	<u>\$ 9,556,799</u>	<u>\$ 9,426,802</u>

Total resources available during the year to finance governmental activities were \$6,846,034, consisting of net position at July 1, 2018 of \$5,062,678, program revenues of \$893,236 and general revenues of \$890,120. Total governmental activity expenses during the year were \$1,741,685; thus governmental net position increased by \$41,671 to \$5,104,349.

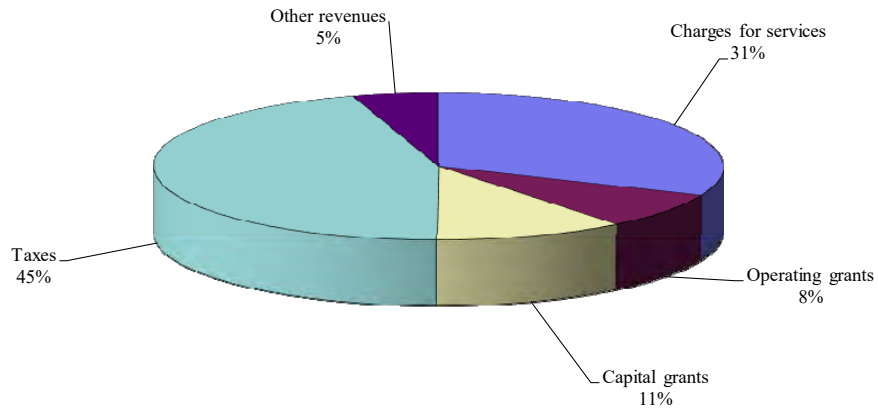


The following graphs compare program expenses to program revenues and provide a breakdown of revenues by source for all governmental activities:

Expenses and Program Revenues - Governmental Activities (in Thousands)



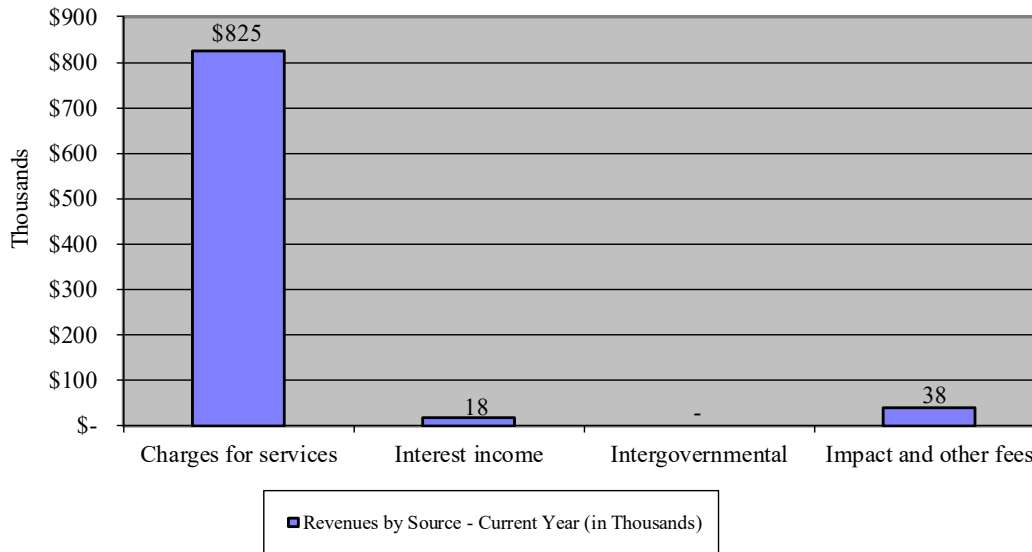
Revenue By Source - Governmental Activities



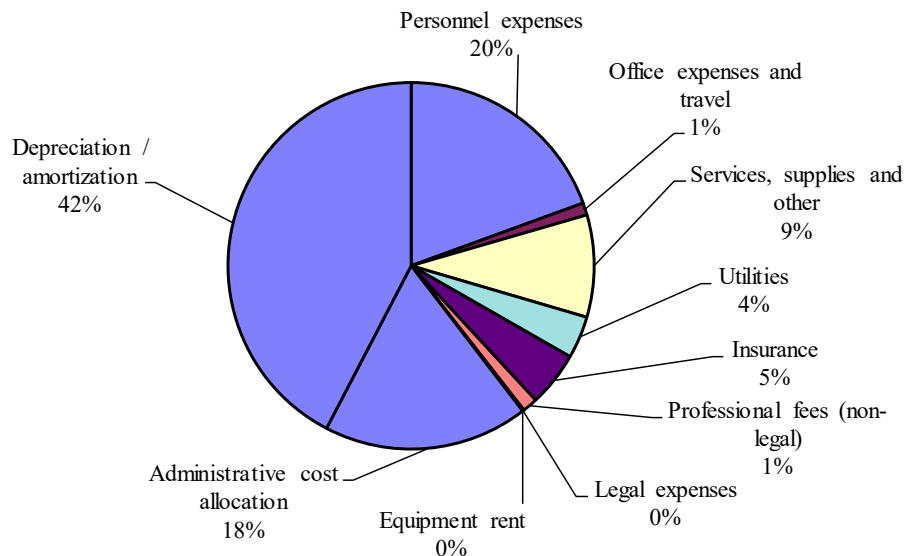
## Business-Type Activities

Net position of the business-type activities at June 30, 2019, as reflected in the statement of net position, is \$4,452,450. The cost of providing all proprietary (business-type) activities this year was \$1,363,489, which includes \$592,268 of affiliate expenses. As shown in the statement of changes in net position, the amount paid by users of the system was \$824,904 (excluding affiliates). Interest earnings were \$17,749, impact fees, capital contributions and other nonoperating revenues were \$38,220 and revenues from affiliates were \$570,942. Net position increased by \$88,326.

Revenues by Source, excluding affiliates - Current Year (in Thousands)



Operating Expenses, excluding affiliates- Current Year



## **Financial Analysis of Government's Funds**

**Governmental funds:** As of the end of the fiscal year, the City's general fund reported an ending fund balance of \$573,458, a decrease of \$385,481 from the prior fiscal year. All of the balance constitutes either assigned or unassigned fund balance except for \$57,437 of restricted debt reserves and \$2,075 in restricted community outreach funds. The main reason for decrease in fund balance is due to spending \$450,000 in bond proceeds relating to a flood control improvement project. An interfund transfer of \$45,017 was made from the general fund to the capital projects fund in fiscal year 2019. All of the fund balance (\$531,364) in the capital projects fund is assigned to repair and replacement reserves or Industrial Park improvements. The unrestricted (i.e. assigned and unassigned) fund balance in the general fund increased from \$457,509 in the prior fiscal year to \$513,946 in the current fiscal year.

**Proprietary funds:** Total net position of the proprietary funds were a combined \$4,452,450, consisting of \$2,351,078 net investment in capital assets, \$1,467,664 invested in affiliates, \$40,000 restricted for debt repair and replacement, \$208,640 restricted for debt service, \$53,600 restricted for capital projects – impact fees and \$331,468 in unrestricted net position. The combined change in net position was an increase of \$88,326, consisting of an \$109,652 increase in the sewer fund and a \$21,326 decrease in affiliates.

### **General Fund Budgetary Highlights**

The City budgeted for a net decrease in fund balance of \$313,014, which is relatively consistent with the actual net decrease of \$385,481. The final appropriations for the general fund at year-end were \$1,588,255 more than actual expenditures (including transfers out). The budget and actual variance in appropriations were across all departments (primarily in general government, public safety, and highways and streets/public works). Actual revenues (including other financing sources) were less than the final budget by \$1,660,722 mainly due to intergovernmental revenue and other financing sources (debt). Budget amendments and supplemental appropriations were made during the year in an effort to prevent budget overruns after adoption of the original budget.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

The capital assets of the City are those assets that are used in performance of city functions including infrastructure assets. Capital assets include equipment, buildings, land, park facilities, roads, utility systems and other improvements. At the end of fiscal year 2019, net capital assets of the government activities totaled \$5,042,120 and the net capital assets of the business-type activities totaled \$4,408,444 (excluding affiliates). Depreciation on capital assets is recognized in the government-wide financial statements. See notes to the financial statements.

### **Debt**

At fiscal year-end, the City had \$1,028,271 in governmental-type debt and \$2,126,299 in proprietary debt, excluding compensated absences and affiliate balances. The debt is a liability of the City. During the current fiscal year, the City's total debt decreased by \$292,881 (excluding affiliates).

## **NEXT YEAR'S BUDGET AND ECONOMIC FACTORS**

In considering the City's budget for fiscal year 2019/2020, the city council and management were cautious as to the growth of revenues and expenditures. Overall, general fund operating expenditures were budgeted so as to contain costs at approximately the same level as fiscal year 2018/2019.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the resources it receives. If you have questions about this report or need additional financial information, contact Vincen Barlow, Hildale City, P.O. Box 840490, Hildale, UT, 84784.

**BASIC FINANCIAL STATEMENTS**

**HILDALE CITY, UTAH**  
**Statement of Net Position**  
**June 30, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 670,055	\$ 787,126	\$ 1,457,181
Receivables, net	353,984	99,354	453,338
Internal balances	396,692	(396,692)	-
Prepaid items	-	13,125	13,125
Restricted cash and cash equivalents	57,437	248,640	306,077
Investment in affiliates	-	1,467,664	1,467,664
Capital assets (net of accumulated depreciation):			
Land	25,490	364,661	390,151
Construction in progress	221,918	6,600	228,518
Buildings	525,827	464,854	990,681
Improvements other than buildings	1,626,554	3,084,705	4,711,259
Machinery and equipment	142,308	72,099	214,407
Office furniture and equipment	3,717	-	3,717
Automobiles and trucks	659,223	415,525	1,074,748
Infrastructure	1,837,083	-	1,837,083
Total assets	<u>6,520,288</u>	<u>6,627,661</u>	<u>13,147,949</u>
<b>Liabilities</b>			
Accounts payable and other accrued liabilities	277,366	44,108	321,474
Accrued interest payable	14,322	-	14,322
Noncurrent liabilities:			
Due within one year	102,064	208,258	310,322
Due in more than one year	926,207	1,922,845	2,849,052
Total liabilities	<u>1,319,959</u>	<u>2,175,211</u>	<u>3,495,170</u>
<b>Deferred inflows of resources</b>			
Deferred revenue - property taxes	95,980	-	95,980
Total deferred inflows of resources	<u>95,980</u>	<u>-</u>	<u>95,980</u>
<b>Net position</b>			
Net investment in capital assets	4,013,849	2,351,078	6,364,927
Invested in affiliates	-	1,467,664	1,467,664
Restricted for:			
Debt service	57,437	248,640	306,077
Capital outlay	-	53,600	53,600
Other purposes	2,075	-	2,075
Unrestricted	1,030,988	331,468	1,362,456
Total net position	<u>\$ 5,104,349</u>	<u>\$ 4,452,450</u>	<u>\$ 9,556,799</u>

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

**HILDALE CITY, UTAH**  
**Statement of Activities**  
**For the Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 822,785	\$ 460,644	\$ -	\$ -	\$ (362,141)	\$ -	\$ (362,141)
Public safety	512,518	90,142	13,349	1,084	(407,943)	-	(407,943)
Highways and streets/Public works	277,216	9,539	126,905	191,573	50,801	-	50,801
Parks, recreation and outreach	109,241	-	-	-	(109,241)	-	(109,241)
Interest on long-term debt	19,925	-	-	-	(19,925)	-	(19,925)
Total governmental activities	1,741,685	560,325	140,254	192,657	(848,449)	-	(848,449)
Business-type activities:							
Sewer	771,221	824,904	-	38,220	-	91,903	91,903
Investment in affiliates	592,268	561,686	-	9,256	-	(21,326)	(21,326)
Total business-type activities	1,363,489	1,386,590	-	47,476	-	70,577	70,577
Total primary government	\$ 3,105,174	\$ 1,946,915	\$ 140,254	\$ 240,133	(848,449)	70,577	(777,872)
General Revenues:							
Taxes:							
Property taxes levied for general purposes					316,802	-	316,802
Sales and use taxes					394,392	-	394,392
Franchise taxes					92,749	-	92,749
Unrestricted investment earnings					25,966	17,749	43,715
Gain on sale of capital assets					60,211	-	60,211
Total general revenues					890,120	17,749	907,869
Change in net position					41,671	88,326	129,997
Net position - beginning					5,062,678	4,364,124	9,426,802
Net position - ending					\$ 5,104,349	\$ 4,452,450	\$ 9,556,799

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

**HILDALE CITY, UTAH**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	General Fund	Capital Projects Fund	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 211,524	\$ 458,531	\$ 670,055
Restricted cash and cash equivalents	57,437	-	57,437
Receivables, net of allowance			
Services	35,975	-	35,975
Leases	7,248	-	7,248
Property taxes - subsequent year	95,980	-	95,980
Due from other governments	132,056	82,725	214,781
Due from other funds	396,692	-	396,692
<b>Total assets</b>	<b>\$ 936,912</b>	<b>\$ 541,256</b>	<b>\$ 1,478,168</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
Liabilities:			
Accounts payable	\$ 267,474	\$ 9,892	\$ 277,366
Total liabilities	267,474	9,892	277,366
Deferred inflows of resources:			
Deferred revenue - property taxes	95,980	-	95,980
Total deferred inflows of resources	95,980	-	95,980
Fund balances:			
Restricted:			
Debt reserves	57,437	-	57,437
Other purposes	2,075	-	2,075
Assigned:			
Subsequent year's budget: appropriation of fund balance	100,000	-	100,000
Repair and replacement reserves:			
Court	-	1,200	1,200
Fire	-	11,550	11,550
Building	-	7,200	7,200
Streets	-	98,693	98,693
Parks	-	23,700	23,700
Industrial Park improvements	-	389,021	389,021
Risk management	86,068	-	86,068
Unassigned	327,878	-	327,878
Total fund balances	573,458	531,364	1,104,822
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 936,912</b>	<b>\$ 541,256</b>	<b>\$ 1,478,168</b>

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



**HILDALE CITY, UTAH**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**To the Statement of Net Position**  
**June 30, 2019**

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

Total fund balances - total governmental funds		\$ 1,104,822
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Cost of capital assets	\$ 7,412,452	
Accumulated depreciation	<u>(2,370,332)</u>	5,042,120
<p>Some liabilities, including bonds payable and capital leases, are not due and payable in the current period and therefore are not reported in the funds.</p>		
Debt outstanding	(1,028,271)	
Accrued interest payable	<u>(14,322)</u>	<u>(1,042,593)</u>
Net position of governmental activities		<u>\$ 5,104,349</u>

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

**HILDALE CITY, UTAH**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	General Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues</b>			
Property taxes	\$ 316,802	\$ -	\$ 316,802
Sales and use taxes	394,392	-	394,392
Franchise taxes	92,749	-	92,749
Licenses and permits	21,331	-	21,331
Intergovernmental revenue	159,303	173,609	332,912
Charges for services	20,609	-	20,609
Administrative service fees	375,000	-	375,000
Lease revenues	116,097	-	116,097
Other revenues	27,287	-	27,287
Interest income	25,966	-	25,966
Total revenues	<u>1,549,536</u>	<u>173,609</u>	<u>1,723,145</u>
<b>Expenditures</b>			
Current:			
General government	806,502	-	806,502
Public safety	328,647	-	328,647
Highways and streets/Public works	600,001	-	600,001
Parks, recreation and outreach	104,012	-	104,012
Debt service	94,866	-	94,866
Capital outlay	-	248,847	248,847
Total expenditures	<u>1,934,028</u>	<u>248,847</u>	<u>2,182,875</u>
Excess (deficiency) of revenues over expenditures	<u>(384,492)</u>	<u>(75,238)</u>	<u>(459,730)</u>
<b>Other financing sources (uses)</b>			
Sales of general capital assets	44,028	-	44,028
Transfers in	-	45,017	45,017
Transfers out	(45,017)	-	(45,017)
Total financing sources (uses)	<u>(989)</u>	<u>45,017</u>	<u>44,028</u>
Net change in fund balance	(385,481)	(30,221)	(415,702)
Fund balance, beginning of year	<u>958,939</u>	<u>561,585</u>	<u>1,520,524</u>
<b>Fund balance, end of year</b>	<u><u>\$ 573,458</u></u>	<u><u>\$ 531,364</u></u>	<u><u>\$ 1,104,822</u></u>

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

**HILDALE CITY, UTAH**  
**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, 2019**

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

Net change in fund balances - total governmental funds		\$ (415,702)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlays	\$ 755,466	
Depreciation expense	<u>(370,717)</u>	384,749
<p>The net effect of various miscellaneous transactions involving capital assets (i.e. sales and donations) is to decrease net position.</p>		
		(2,317)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Principal repayments	<u>82,592</u>	82,592
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Accrued interest	<u>(7,651)</u>	<u>(7,651)</u>
Change in net position of governmental activities		<u><u>\$ 41,671</u></u>

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

**HILDALE CITY, UTAH**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

	Business-type Activities			
	Sewer	Affiliates	Total Enterprise Funds	Internal Service Funds
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 714,369	\$ -	\$ 714,369	\$ 72,757
Receivables, net of allowance	99,354	-	99,354	-
Prepaid items	13,125	-	13,125	-
Total current assets	<u>826,848</u>	<u>-</u>	<u>826,848</u>	<u>72,757</u>
Noncurrent assets:				
Restricted cash and cash equivalents	248,640	-	248,640	-
Investment in affiliates	-	1,467,664	1,467,664	-
Capital assets:				
Land	364,661	-	364,661	-
Construction in progress	6,600	-	6,600	-
Buildings	1,061,392	-	1,061,392	456,806
Improvements other than buildings	6,959,185	-	6,959,185	-
Automobiles and trucks	851,390	-	851,390	27,123
Machinery and equipment	208,998	-	208,998	215,806
Less: accumulated depreciation	(5,538,909)	-	(5,538,909)	(204,608)
Total noncurrent assets	<u>4,161,957</u>	<u>1,467,664</u>	<u>5,629,621</u>	<u>495,127</u>
Total assets	<u>4,988,805</u>	<u>1,467,664</u>	<u>6,456,469</u>	<u>567,884</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	(616)	-	(616)	44,724
Due to other funds	-	-	-	396,692
Compensated absences - current	1,922	-	1,922	-
Notes payable - current	-	-	-	68,933
Capital leases payable - current	-	-	-	13,599
Bonds payable - current	123,804	-	123,804	-
Total current liabilities	<u>125,110</u>	<u>-</u>	<u>125,110</u>	<u>523,948</u>
Noncurrent liabilities:				
Compensated absences	2,882	-	2,882	-
Capital leases payable	-	-	-	43,936
Bonds payable	1,876,027	-	1,876,027	-
Total noncurrent liabilities	<u>1,878,909</u>	<u>-</u>	<u>1,878,909</u>	<u>43,936</u>
Total liabilities	<u>2,004,019</u>	<u>-</u>	<u>2,004,019</u>	<u>567,884</u>
<b>Net position</b>				
Net investment in capital assets	1,913,486	-	1,913,486	437,592
Invested in affiliates	-	1,467,664	1,467,664	-
Restricted:				
Debt reserves	248,640	-	248,640	-
Capital outlay - impact fees	53,600	-	53,600	-
Unrestricted	769,060	-	769,060	(437,592)
Total net position	<u>\$ 2,984,786</u>	<u>\$ 1,467,664</u>	<u>\$ 4,452,450</u>	<u>\$ -</u>

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

**HILDALE CITY, UTAH**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	Business-type Activities			
	Sewer	Affiliates	Total Enterprise Funds	Internal Service Funds
<b>Operating revenues</b>				
Charges for services	\$ 824,904	\$ -	\$ 824,904	\$ 582,861
Total operating revenues	824,904	-	824,904	582,861
<b>Operating expenses</b>				
Personnel expenses	134,303	-	134,303	326,808
Office expenses and travel	7,429	-	7,429	11,979
Services, supplies and other	62,356	-	62,356	38,287
Utilities	25,685	-	25,685	16,545
Insurance	33,432	-	33,432	82,294
Professional fees (non-legal)	9,227	-	9,227	52,134
Legal expenses	941	-	941	3,861
Administrative cost allocation	125,000	-	125,000	-
Depreciation	292,621	-	292,621	48,314
Total operating expenses	690,994	-	690,994	580,222
Operating income (loss)	133,910	-	133,910	2,639
<b>Nonoperating revenues (expenses)</b>				
Interest income	17,749	-	17,749	-
Impact fees	35,550	-	35,550	-
Interest expense and fiscal charges	(80,227)	-	(80,227)	(2,639)
Net income (loss) from affiliates	-	(21,326)	(21,326)	-
Total nonoperating revenues (expenses)	(26,928)	(21,326)	(48,254)	(2,639)
Income (loss) before capital contributions	106,982	(21,326)	85,656	-
Capital contributions	2,670	-	2,670	-
<b>Change in net position</b>	109,652	(21,326)	88,326	-
Total net position, beginning of year	2,875,134	1,488,990	4,364,124	-
<b>Total net position, end of year</b>	<u>\$ 2,984,786</u>	<u>\$ 1,467,664</u>	<u>\$ 4,452,450</u>	<u>\$ -</u>

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

**HILDALE CITY, UTAH**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	Business-type Activities		
	Sewer	Internal Service Funds	Combined Total (Memorandum Only)
<b>Cash flows from operating activities</b>			
Receipts from customers, service fees	\$ 847,606	\$ -	\$ 847,606
Receipts from interfund charges for services	-	582,861	582,861
Payments to suppliers and service providers	(200,042)	(234,268)	(434,310)
Payments to employees	(1,537)	(327,102)	(328,639)
Payments for interfund charges for services	(215,844)	-	(215,844)
Cash flows from operating activities	<u>430,183</u>	<u>21,491</u>	<u>451,674</u>
<b>Cash flows from non-capital financing activities</b>			
Transfers from (to) other funds	21,875	(26,833)	(4,958)
Principal paid on debt	-	(75,200)	(75,200)
Cash flows from non-capital financing activities	<u>21,875</u>	<u>(102,033)</u>	<u>(80,158)</u>
<b>Cash flows from capital and related financing activities</b>			
Impact fees	35,550	-	35,550
Acquisition and construction of capital assets	(6,600)	-	(6,600)
Principal paid on capital debt	(121,981)	(13,108)	(135,089)
Capital contributions	2,670	-	2,670
Interest paid	(80,227)	(2,639)	(82,866)
Cash flows from capital and related financing activities	<u>(170,588)</u>	<u>(15,747)</u>	<u>(186,335)</u>
<b>Cash flows from investing activities</b>			
Interest received	17,749	-	17,749
<b>Net change in cash and cash equivalents</b>	299,219	(96,289)	202,930
Cash and cash equivalents, beginning of year, including restricted cash	<u>663,790</u>	<u>169,046</u>	<u>832,836</u>
<b>Cash and cash equivalents, end of year, including restricted cash</b>	<u>\$ 963,009</u>	<u>\$ 72,757</u>	<u>\$ 1,035,766</u>
Reconciliation of operating income to net cash flows from operating activities:			
Operating income (loss)	\$ 133,910	\$ 2,639	\$ 136,549
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	292,621	48,314	340,935
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables	22,702	-	22,702
(Increase)/decrease in prepaid items	5,250	-	5,250
Increase/(decrease) in accounts payable	(25,837)	(29,462)	(55,299)
Increase/(decrease) in compensated absences	1,537	-	1,537
Net cash flows from operating activities	<u>\$ 430,183</u>	<u>\$ 21,491</u>	<u>\$ 451,674</u>

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

**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies**

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**Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**Reporting Entity**

Hildale City, Utah (the City) is a municipal corporation and political subdivision of the State of Utah, organized and existing as a third class city pursuant to Title 10, Utah Code Annotated 1953, as amended. The City is governed by a mayor and five council members elected for staggered four-year terms. The mayor presides over all meetings but casts no vote in the council except in case of a tie.

The accompanying financial statements present the City and its component units—entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

There are no separate component units combined to form the reporting entity. However, the City has an equity interest in Twin City Water Joint Management, Operations and Maintenance Agreement (the Water Departments) and the Gas Distribution Systems, Operations and Maintenance Agreement (the Gas Departments). See Note 7 for further details.

**Basis of Presentation – Government-Wide Financial Statements**

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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**Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the City’s funds. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The **Capital Projects Fund** accounts for the acquisition and construction of the City’s major capital facilities and other capital projects (including repair and replacement activity), other than those financed by proprietary funds.

The City reports the following major enterprise fund:

The **Sewer Fund** accounts for the activities of the City’s wastewater collection and treatment facilities.

Additionally, the City reports the following fund type:

**Internal service funds** account for risk management (litigation defense and settlements), court judgment resolution (monitoring, consulting, training and reviews) and administration (basic shared utility department expenses) services provided to other departments or agencies of the City, or to other governments on a cost-reimbursement basis.

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

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



**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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**Measurement Focus and Basis of Accounting**

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

***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.

**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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***Investments***

The City's investment policy allows for the investment of funds in the state treasurer's pool and other investments as allowed by the State of Utah's Money Management Act. Investments for the City are reported at fair value (generally based on quoted market prices) with unrealized gains and losses recorded as adjustments to interest/investments earnings.

***Receivables***

Receivables consist primarily of accounts due for services provided and related late penalties and interest. Management periodically reviews accounts receivable and writes off uncollectible accounts. The general fund's and sewer fund's allowances for uncollectible accounts as of June 30, 2019 are \$21,601 and \$38,434, respectively.

***Inventories and Prepaid Items***

The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Inventories of the business type activities are valued at cost using the first-in/first-out (FIFO) method. Inventories in all fund types are immaterial and are not recorded.

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

***Capital Assets***

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. 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. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	7-40 years
Improvements other than buildings	7-30 years
Automobiles and trucks	5-7 years
Machinery and equipment	3-10 years
Infrastructure	15-30 years

**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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***Deferred Outflows/Inflows of Resources***

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has one type of item that qualifies for reporting in this category. Accordingly, the item, *deferred revenue – property taxes* is reported in both the governmental funds balance sheet and the statement of net position. The governmental funds report deferred revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period for which they are levied and/or intended.

***Net Position Flow Assumptions***

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

***Fund Balance Flow Assumptions***

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

***Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The city council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The city council is authorized to assign amounts to a specific purpose in accordance with the City's budget policy. The city council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**Revenues and Expenditures/Expenses**

***Program Revenues***

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

***Property Taxes***

Property taxes are collected by the Washington County Treasurer and remitted to the City in multiple installments. Taxes are levied each October on the taxable value listed as of the prior January 1 (lien date) for all real property located in the City. Taxable values are established by the county assessor at a percent of the fair value on primary residential property and 100 percent of the fair value on non-primary residential property. A revaluation of all property is required to be completed no less than every five years. Taxes are due and payable on November 1 and delinquent after November 30 of each year, at which time they become liens if not paid.

An accrual of uncollected *delinquent* property taxes has not been made since the amounts are not measureable and cannot be reasonably estimated. The delinquent amounts may be material.

**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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*City Personnel, Payroll and Compensated Absences*

The majority of the City's personnel are employed by the Town of Colorado City. The City reimburses Colorado City for wages, payroll taxes and benefits for these contracted employees. Because the majority of the City's personnel are employed by Colorado City, accruals for compensated absences are based on Colorado City's related policies. Some of the personnel on the City's payroll are not full-time employees. Hildale City does not currently have a separate policy relating to compensated absences, so there is no accrual in addition to the accrual relating to Colorado City's policies.

*Proprietary Funds Operating and Nonoperating Revenues and Expenses*

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

**Budgets and Budgetary Accounting**

Annual budgets are prepared and adopted by the city council on or before June 22 for the fiscal year commencing the following July 1, in accordance with State law. The operating budget includes proposed expenditures and the proposed sources of financing for such expenditures. Prior to June 22, a public hearing is conducted to obtain taxpayer input. Budgets are adopted and control of budget appropriations is exercised, under State law, at the department level. Budget amendments are required to increase expenditure budgets. The General Fund budget is prepared using the modified accrual basis of accounting. Budgets for the proprietary fund types are prepared using the accrual basis of accounting, except that depreciation for all proprietary fund types was not budgeted. During the current fiscal year there were no amendments to the budget.

**Use of Estimates**

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

**Risk Management**

The City maintains insurance for general liability, auto liability, employee dishonesty and worker's compensation through various insurance companies.

**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 2. Reconciliation of Government-Wide and Fund Financial Statements**

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The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 15.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 17.

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**NOTE 3. Deposits and Investments**

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The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The City follows the requirements of the Utah Money Management Act (*Utah code*, Section 51, chapter 7) in handling its depository and investment transactions. The Act requires the depositing of Hildale City funds in qualified depositories. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The City's central treasury consists of the following at fiscal year-end:

State Treasurer's Investment Pool	\$ 2,393,292
Cash in bank	299,790
Less amounts to Hildale and Colorado City Joint Utilities	<u>(930,424)</u>
Total	<u>\$ 1,762,658</u>

**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 3. Deposits and Investments, Continued**

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The City's cash in the City's central treasury and cash on hand at fiscal year-end are as follows:

Equity in central treasury	\$ 1,762,658
Cash on hand	<u>600</u>
Total	<u>\$ 1,763,258</u>

The City's deposits and investments are shown in the statement of net position as follows:

Cash and cash equivalents	\$ 1,457,181
Restricted cash and cash equivalents	<u>306,077</u>
	<u>\$ 1,763,258</u>

**Deposits**

*Custodial Credit Risk*

For deposits this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal policy for custodial credit risk. As of June 30, 2019, \$107,549 of the City's central treasury's bank balance of \$370,316 was exposed to custodial credit risk because it was uninsured and uncollateralized.

**Investments**

The Money Management Act defines the types of securities authorized as appropriate investment for Hildale City and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

The Act authorizes investments in negotiable or nonnegotiable deposits of qualified depositories and permitted depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; the Utah Public Treasurer's Investment Fund; and reciprocal deposits subject to rules of the State Money Management Council.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

**NOTE 3. Deposits and Investments, Continued**

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953*, as amended. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gain or losses on investments. Financial statements for the PTIF funds can be obtained by contacting the Utah State Treasurer’s office.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses – net of administration fees, of the PTIF are allocated based upon the participant’s average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

As of June 30, 2019 the City had the following investments, ratings and maturities:

Investment Type	Fair Value	Credit Rating (1)	Weighted Average Maturity (2)
State of Utah Public Treasurer's Investment Fund	\$2,393,292	N/A	47.67
Total Fair Value	<u>\$2,393,292</u>		

(1) Ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable.

(2) Interest rate risk is estimated using the weighted average days to maturity.

**Interest rate risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State’s Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

**Credit risk**

Credit risk is risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City’s policy for reducing exposure to credit risk is to comply with the State’s Money Management Act.

**Fair value measurements**

As noted above, the City holds investments that are measured at fair value on a recurring basis. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The State of Utah Public Treasurer’s Investment Fund, as listed above, is valued using significant other observable inputs (Level 2 inputs).



**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

**NOTE 4. Capital Assets**

The following is a summary of the changes to capital assets for governmental activities during the year:

<b>Governmental activities:</b>	<b>Balance 6/30/2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/2019</b>
Capital assets, not being depreciated:				
Land	\$ 27,807	\$ -	\$ (2,317)	\$ 25,490
Construction in progress	<u>535,841</u>	<u>679,255</u>	<u>(993,178)</u>	<u>221,918</u>
Total capital assets, not being depreciated	<u>563,648</u>	<u>679,255</u>	<u>(995,495)</u>	<u>247,408</u>
Capital assets, being depreciated:				
Buildings	775,733	-	-	775,733
Improvements other than buildings	1,014,162	773,378	-	1,787,540
Machinery and equipment	871,670	9,029	-	880,699
Office furniture and equipment	93,054	-	-	93,054
Automobiles and trucks	1,507,930	50,365	(34,664)	1,523,631
Infrastructure	<u>1,867,770</u>	<u>236,617</u>	<u>-</u>	<u>2,104,387</u>
Total capital assets, being depreciated	<u>6,130,319</u>	<u>1,069,389</u>	<u>(34,664)</u>	<u>7,165,044</u>
Less accumulated depreciation for:				
Buildings	(230,468)	(19,438)	-	(249,906)
Improvements other than buildings	(110,738)	(50,248)	-	(160,986)
Machinery and equipment	(669,853)	(68,538)	-	(738,391)
Office furniture and equipment	(87,115)	(2,222)	-	(89,337)
Automobiles and trucks	(740,314)	(158,758)	34,664	(864,408)
Infrastructure	<u>(195,791)</u>	<u>(71,513)</u>	<u>-</u>	<u>(267,304)</u>
Total accumulated depreciation	<u>(2,034,279)</u>	<u>(370,717)</u>	<u>34,664</u>	<u>(2,370,332)</u>
Total capital assets, being depreciated, net	<u>4,096,040</u>	<u>698,672</u>	<u>-</u>	<u>4,794,712</u>
Governmental activities capital assets, net	<u>\$ 4,659,688</u>	<u>\$ 1,377,927</u>	<u>\$ (995,495)</u>	<u>\$ 5,042,120</u>

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

<b>Governmental activities:</b>	
General government	\$ 18,401
Public safety	192,900
Highways and streets/Public works	154,187
Parks and recreation	<u>5,229</u>
Total depreciation expense - governmental activities	<u>\$ 370,717</u>

**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

**NOTE 4. Capital Assets, Continued**

The following is a summary of the changes to capital assets for business-type activities during the year:

<b>Business-type activities:</b>	<b>Balance 6/30/2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/2019</b>
Capital assets not being depreciated:				
Land	\$ 364,661	\$ -	\$ -	\$ 364,661
Construction in progress	-	6,600	-	6,600
Total capital assets, not being depreciated	<u>364,661</u>	<u>6,600</u>	<u>-</u>	<u>371,261</u>
Capital assets being depreciated:				
Buildings	1,518,198	-	-	1,518,198
Sewer treatment plant and system lines	6,959,185	-	-	6,959,185
Machinery and equipment	424,804	-	-	424,804
Automobiles and trucks	919,912	-	(41,399)	878,513
Total capital assets, being depreciated	<u>9,822,099</u>	<u>-</u>	<u>(41,399)</u>	<u>9,780,700</u>
Less accumulated depreciation for:				
Buildings	(1,013,544)	(39,800)	-	(1,053,344)
Sewer treatment plant and system lines	(3,685,471)	(189,009)	-	(3,874,480)
Machinery and equipment	(305,189)	(47,516)	-	(352,705)
Automobiles and trucks	(439,777)	(64,610)	41,399	(462,988)
Total accumulated depreciation	<u>(5,443,981)</u>	<u>(340,935)</u>	<u>41,399</u>	<u>(5,743,517)</u>
Total capital assets, being depreciated, net	<u>4,378,118</u>	<u>(340,935)</u>	<u>-</u>	<u>4,037,183</u>
Business-type activities capital assets, net	<u>\$ 4,742,779</u>	<u>\$ (334,335)</u>	<u>\$ -</u>	<u>\$ 4,408,444</u>

**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

**NOTE 5. Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

	Balance 6/30/2018	Additions	Retirements	Balance 6/30/2019	Current Portion
<b>Business-type activities:</b>					
Direct placements and borrowings:					
Sewer Revenue Bonds, Series 2000A	\$ 320,000	\$ -	\$ 80,000	\$ 240,000	\$ 80,000
Sewer Revenue Bonds, Series 2000B	1,515,163	-	35,304	1,479,859	36,838
Sewer Revenue Bonds, Series 2000C	286,649	-	6,677	279,972	6,966
Notes payable	144,133	-	75,200	68,933	68,933
Capital leases payable	70,643	-	13,108	57,535	13,599
Compensated absences	3,267	1,537	-	4,804	1,922
Total business-type activities	<u>2,339,855</u>	<u>1,537</u>	<u>210,289</u>	<u>2,131,103</u>	<u>208,258</u>
<b>Governmental activities:</b>					
Direct placements and borrowings:					
Sales Tax Revenue Bonds, Series 2015	593,000	-	70,000	523,000	71,000
Sales Tax Revenue Bonds, Series 2018	450,000	-	-	450,000	18,000
Capital leases payable	67,863	-	12,592	55,271	13,064
Total governmental activities	<u>1,110,863</u>	<u>-</u>	<u>82,592</u>	<u>1,028,271</u>	<u>102,064</u>
Total long-term liabilities	<u>\$ 3,450,718</u>	<u>\$ 1,537</u>	<u>\$ 292,881</u>	<u>\$ 3,159,374</u>	<u>\$ 310,322</u>

The City's outstanding sewer revenue bonds from direct placements related to business-type activities of \$1,999,831 contain a provision that in an event of default (i.e. Sewer fund revenues not sufficient to make payments and failure to revise the rates, fees and charges so that such deficiency will be remedied before the end of the next ensuing year), the bondholder may require the City to pay an interest penalty equal to 18% per annum of the outstanding principal and interest. The bondholder has authority, to the extent permitted by law, to bring appropriate action in court to compel the City to carry out the provisions of the bond resolution. The sewer revenue bonds are secured by sewer fund revenues.

The City's outstanding note payable from direct borrowings related to business-type activities of \$68,933 contains a provision that in an event of default (i.e. late payments), a charge of 5% of each monthly payment will be assessed for each month that the payment is late by 25 days or more. The City agrees to accelerate the payments or increase the amount of payments as a priority for funding that becomes available at any time during the term of the agreement. This debt is unsecured.

The City's outstanding bonds from direct placements related to governmental activities of \$973,000 contain a provision that in an event of default (i.e. failure to perform any covenant or requirement under the bond resolution within 30 days after having been notified by a bondholder of such failure), the bondholder may require the City to pay an interest penalty equal to 18% per annum of the outstanding principal and interest. The bondholder may appoint a trustee bank to act as a receiver of the pledge revenues for purpose of applying them toward the required revenue allocations and in general protecting and enforcing bondholder rights. The sales tax revenue bonds are secured by sales and use tax revenues received by the City.

The City has a credit account with a financial institution with a maximum limit of \$25,000 and an unused amount of \$23,200 as of June 30, 2019.

**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

**NOTE 5. Long-Term Liabilities, Continued**

Long-term liabilities consist of the following at June 30, 2019:

**Revenue bonds:**

Parity Sewer Revenue Bond, Series 2000A, due in annual principal installments ranging from \$79,000 - \$80,000, non-interest bearing, maturing April 1, 2022. \$ 240,000

Parity Sewer Revenue Bond, Series 2000B, due in annual principal installments ranging from \$18,000 - \$99,000, bearing interest at 4.5%, maturing November 25, 2042. 1,479,859

Parity Sewer Revenue Bond, Series 2000C, due in annual principal installments ranging from \$3,400 - \$18,800, bearing interest at 4.5%, maturing November 25, 2042. 279,972

Sales Tax Revenue Bonds, Series 2015, due in annual principal and interest installments ranging from \$78,950 - \$79,605, bearing interest at 1.5%, maturing October 1, 2025. 523,000

Sales Tax Revenue Bonds, Series 2018, due in annual principal and interest installments, beginning October 1, 2019, ranging from \$28,400 - \$29,325, bearing interest at 2.5%, maturing October 1, 2038. 450,000

Total revenue bonds payable 2,972,831

**Leases payable:**

Leases payable in various installment methods through fiscal year 2023, bearing interest at 3.67%. 112,806

**Notes payable:**

Note payable to Town of Colorado City, due in monthly principal installments of \$6,267, bearing interest at 0%, maturing May 31, 2020. 68,933

**Compensated absences** 4,804

Total long-term liabilities 3,159,374

Less current portion:

Business-type activities (208,258)

Governmental activities (102,064)

Total long-term liabilities, net of current portion \$ 2,849,052

**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

**NOTE 5. Long-Term Liabilities, Continued**

Revenue bonds and notes payable debt service requirements to maturity are as follows:

Year Ending June 30,	Direct placements and borrowings					
	Sewer Revenue Bonds		Sales Tax Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 123,804	\$ 78,404	\$ 89,000	\$ 19,095	\$ 68,933	\$ -
2021	125,816	76,392	90,000	17,580	-	-
2022	127,921	74,287	92,000	16,050	-	-
2023	50,123	72,085	94,000	14,480	-	-
2024	52,425	69,783	95,000	12,880	-	-
2025-2029	300,546	310,494	260,000	36,200	-	-
2030-2034	376,222	234,818	119,000	24,125	-	-
2035-2039	470,953	140,087	134,000	14,600	-	-
2040-2043	372,021	29,214	-	4,125	-	-
Totals	<u>\$ 1,999,831</u>	<u>\$ 1,085,564</u>	<u>\$ 973,000</u>	<u>\$ 159,135</u>	<u>\$ 68,933</u>	<u>\$ -</u>

**NOTE 6. Capital Leases**

The City has entered into lease agreements that are considered capital leases in accordance with accounting standards. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019, were as follows:

Year Ending June 30,	2016 Backhoe #622	2016 Backhoe #729	Total
2020	\$ 15,757	\$ 15,137	\$ 30,894
2021	15,757	15,137	30,894
2022	15,757	15,138	30,895
2023	15,758	15,137	30,895
Total remaining lease payments	63,029	60,549	123,578
Less amount representing interest	<u>(5,494)</u>	<u>(5,278)</u>	<u>(10,772)</u>
Present value of net remaining minimum lease payments	<u>\$ 57,535</u>	<u>\$ 55,271</u>	<u>\$ 112,806</u>

A summary of assets acquired through capital leases as of June 30, 2019 is as follows:

	Cost	Depreciation Expense	Accumulated Depreciation
Machinery and equipment	\$ 169,400	\$ 24,200	\$ 40,374

**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 7. Investment in Affiliates**

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The City has the following investments that are accounted for using the equity method:

**Water Departments of Hildale/Colorado City**

The Twin City Water Joint Management, Operations and Maintenance Agreement (the Water Departments) was formed on February 22, 1996 by the Town of Colorado City, Arizona and Hildale City, Utah (the municipalities). The Town of Colorado City, Arizona, pursuant to the provisions of Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended (the “Arizona Joint Exercise of Powers Act”) and the City of Hildale, Utah, pursuant to the provisions of Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “Utah Interlocal Co-operation Act”) entered into the “Inter-Governmental Agreement.” An updated intergovernmental cooperative agreement for utilities systems management, operations and maintenance became effective in May 2014.

The Water Departments’ proportionate shares are based on the proportionate amount of water system utility customers and usage for each of the municipalities. The proportionate shares allocation did not change as of and for the year ended June 30, 2019 resulting in no proportionate shares allocation adjustment. There is an offsetting adjustment in the financial statements of the Town of Colorado City, Arizona, when applicable. See further details in the Water Departments’ financial statements for the year ended June 30, 2019.

The board of trustees consists of nine members—four members appointed by the mayor and council of Hildale City, four members appointed by the mayor and council of Colorado City and one member appointed by the joint designation of both municipalities. Each member is entitled to one vote. The Hildale City council consists of a mayor and five council members. The Colorado City council consists of a mayor and six council members. Budgeting and financing is done by the board and is ratified by each municipality’s council.

The Water Departments' audited financial statements as of June 30, 2019, can be obtained at the following address:

Hildale City  
P.O. Box 840490  
320 E. Newel Avenue  
Hildale, Utah 84784

**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

**NOTE 7. Investment in Affiliates, Continued**

**Water Departments, (Continued)**

The following is a summary of the total assets, liabilities, revenues, and expenses associated with the Water Departments and the allocation between the municipalities for the year ended June 30, 2019:

	<u>Hildale City</u>	<u>Colorado City</u>	<u>Total</u>
Total assets	<u>\$ 729,091</u>	<u>\$ 1,354,027</u>	<u>\$ 2,083,118</u>
Current liabilities	\$ 93,189	\$ 173,065	\$ 266,254
Long-term liabilities	<u>77,101</u>	<u>143,189</u>	<u>220,290</u>
Total liabilities	<u>170,290</u>	<u>316,254</u>	<u>486,544</u>
Net position	<u>558,801</u>	<u>1,037,773</u>	<u>1,596,574</u>
Total net position	<u>558,801</u>	<u>1,037,773</u>	<u>1,596,574</u>
Total liabilities and net assets	<u>\$ 729,091</u>	<u>\$ 1,354,027</u>	<u>\$ 2,083,118</u>
Total operating revenues	\$ 253,949	\$ 471,618	\$ 725,567
Total operating expenses	<u>251,832</u>	<u>467,685</u>	<u>719,517</u>
Operating income (loss)	2,117	3,933	6,050
Nonoperating revenues (expenses)	227	421	648
Capital contributions	<u>3,927</u>	<u>7,293</u>	<u>11,220</u>
Change in net position	<u>\$ 6,271</u>	<u>\$ 11,647</u>	<u>\$ 17,918</u>

**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 7. Investment in Affiliates, Continued**

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**Gas Departments of Hildale/Colorado City**

The Gas Distribution Systems Management, Operations and Maintenance Agreement (the Gas Departments) was formalized on June 22, 2009 by the Town of Colorado City, Arizona and Hildale City, Utah (the municipalities). The Town of Colorado City, Arizona, pursuant to the provisions of Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended (the “Arizona Joint Exercise of Powers Act”) and the City of Hildale, Utah, pursuant to the provisions of Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “Utah Interlocal Co-operation Act”) entered into the “Inter-Governmental Agreement.” An updated intergovernmental cooperative agreement for utilities systems management, operations and maintenance became effective in May 2014.

The Gas Departments’ proportionate shares are based on the proportionate amount of gas system utility customers and usage for each of the municipalities. The proportionate shares allocation did not change as of and for the year ended June 30, 2019 resulting in no proportionate shares allocation adjustment. There is an offsetting adjustment in the financial statements of the Town of Colorado City, Arizona, when applicable. See further details in the Gas Departments’ financial statements for the year ended June 30, 2019.

The board of trustees consists of nine members—four members appointed by the mayor and council of Hildale City, four members appointed by the mayor and council of Colorado City and one member appointed by the joint designation of both municipalities. Each member is entitled to one vote. The Hildale City council consists of a mayor and five council members. The Colorado City council consists of a mayor and six council members. Budgeting and financing is done by the board and is ratified by each municipality’s council.

The Gas Departments' audited financial statements as of June 30, 2019 can be obtained at the following address:

Hildale City  
P.O. Box 840490  
320 E. Newel Avenue  
Hildale, Utah 84784



**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 7. Investment in Affiliates, Continued**

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**Gas Departments, (Continued)**

The following is a summary of the total assets, liabilities, revenues, and expenses associated with the Gas Departments and the allocation between the municipalities for the year ended June 30, 2019:

	Hildale City	Colorado City	Total
Total assets	<u>\$ 939,378</u>	<u>\$ 1,409,065</u>	<u>\$ 2,348,443</u>
Current liabilities	\$ 30,104	\$ 45,155	\$ 75,259
Long-term liabilities	411	616	1,027
Total liabilities	<u>30,515</u>	<u>45,771</u>	<u>76,286</u>
Net position	<u>908,863</u>	<u>1,363,294</u>	<u>2,272,157</u>
Total net position	<u>908,863</u>	<u>1,363,294</u>	<u>2,272,157</u>
Total liabilities and net position	<u>\$ 939,378</u>	<u>\$ 1,409,065</u>	<u>\$ 2,348,443</u>
Total operating revenues	\$ 297,121	\$ 445,680	\$ 742,801
Total operating expenses	<u>338,087</u>	<u>507,130</u>	<u>845,217</u>
Operating income (loss)	(40,966)	(61,450)	(102,416)
Nonoperating revenues (expenses)	8,040	12,060	20,100
Capital contributions	<u>5,329</u>	<u>7,994</u>	<u>13,323</u>
Change in net position	<u>\$ (27,597)</u>	<u>\$ (41,396)</u>	<u>\$ (68,993)</u>

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**NOTE 8. Individual Fund Disclosures – Segment Information**

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The sewer fund accounts for the operation and maintenance of the sewer collection and treatment system. The segment information for the sewer fund is available in the basic financial statements. The equity joint venture interest in the gas and water utilities are available in Note 7.

**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

**NOTE 9. Restricted Equity**

At June 30, 2019 the City's restricted equity balances are as follows:

**General Fund:**

Debt reserves:

Sales Tax Revenue Bonds, Series 2015	
Reserve account	\$ 53,472
Sales Tax Revenue Bonds, Series 2018	
Reserve account	3,965
Total general fund debt reserves	<u>\$ 57,437</u>

Community outreach	<u>\$ 2,075</u>
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**Sewer Fund:**

Debt reserves:

Sewer bonds - series 2000 A, B, C	
Bond Fund	\$ 7,432
Reserve Fund A	79,000
Reserve Fund B, C	122,208
Emergency repair and replacement	40,000
Total sewer debt reserves	<u>\$ 248,640</u>

Restricted for repair and replacement	\$ 40,000
Restricted for debt service	208,640
Total sewer debt reserves	<u>\$ 248,640</u>

Capital outlay - impact fees	<u>\$ 53,600</u>
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**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

**NOTE 10. Interfund Balances and Transfers**

Interfund balances at June 30, 2019 are as follows:

		Due From	
		Internal Service Funds	Total
Due To	General Fund	396,692	396,692
	Total	\$ 396,692	\$ 396,692

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ended June 30, 2019 are as follows:

		Transfers In	
		Capital Project Fund	Total
Transfers Out	General Fund	\$ 45,017	\$ 45,017
	Total	\$ 45,017	\$ 45,017

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and (2) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 11. Commitments and Uncertainties**

As of June 30, 2019, the City, along with the Hildale/Colorado City Water Departments and the Town of Colorado City, Arizona, through a settlement agreement, was in the process of acquiring certain assets of Twin City Water Works. The City, along with the Town of Colorado City, agree to pay \$150,000 under the settlement agreement. As of June 30, 2019, there were some uncertainties, including pending legal matters, related to the settlement agreement, and the agreement, related pending uncertainties and asset transfer are expected to finalize in fiscal year 2020.

**HILDALE CITY, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 12. Related Party Transactions**

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The City entered into contracts with a construction contractor company for sidewalk, curb and gutter street improvements. The company is owned by a member of the city council. The costs incurred under these projects for the year ended June 30, 2019 were approximately \$187,938. As of June 30, 2019, the City owed the company \$97,055, which is included in accounts payable.

**REQUIRED SUPPLEMENTARY INFORMATION**

**HILDALE CITY, UTAH**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 467,555	\$ 507,086	\$ 316,802	\$ (190,284)
Sales and use taxes	389,000	389,000	394,392	5,392
Franchise taxes	126,300	126,300	92,749	(33,551)
Licenses and permits	14,000	17,200	21,331	4,131
Intergovernmental revenue	1,034,800	819,800	159,303	(660,497)
Charges for services	377,000	115,800	20,609	(95,191)
Administrative service fees	375,000	375,000	375,000	-
Lease revenues	254,900	188,300	116,097	(72,203)
Other revenues	316,300	177,000	27,287	(149,713)
Interest income	6,800	6,800	25,966	19,166
<b>Total revenues</b>	<b>3,361,655</b>	<b>2,722,286</b>	<b>1,549,536</b>	<b>(1,172,750)</b>
<b>Expenditures</b>				
Current:				
General government	1,422,600	1,300,200	806,502	493,698
Public safety	721,100	643,300	328,647	314,653
Highways and streets/Public works	1,184,500	1,268,400	600,001	668,399
Parks, recreation and outreach	563,600	128,700	104,012	24,688
Debt service	140,000	140,000	94,866	45,134
<b>Total expenditures</b>	<b>4,031,800</b>	<b>3,480,600</b>	<b>1,934,028</b>	<b>1,546,572</b>
Excess (deficiency) of revenues over expenditures	(670,145)	(758,314)	(384,492)	373,822
<b>Other financing sources (uses)</b>				
Bonds issued and capital leases	450,000	450,000	-	(450,000)
Sales of general capital assets	-	82,000	44,028	(37,972)
Transfers out	(86,700)	(86,700)	(45,017)	41,683
<b>Total other financing sources (uses)</b>	<b>363,300</b>	<b>445,300</b>	<b>(989)</b>	<b>(446,289)</b>
Net change in fund balance	(306,845)	(313,014)	(385,481)	(72,467)
Fund balance, beginning of year	958,939	958,939	958,939	-
<b>Fund balance, end of year</b>	<b>\$ 652,094</b>	<b>\$ 645,925</b>	<b>\$ 573,458</b>	<b>\$ (72,467)</b>

## **COMBINING STATEMENTS**

## INTERNAL SERVICE FUNDS

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

The **Risk Management Fund** accounts for the activities of litigation defense relating primarily to the joint utility systems of Hildale City and Colorado City.

The **Judgment Resolution Fund** accounts for the activities associated with resolving a federal court judgment requiring specific monitoring, consulting, training relating primarily to the joint utility systems of Hildale City and Colorado City.

The **Administration Fund** accounts for the activities of basic shared expenses relating only to the joint utility systems of Hildale City and Colorado City.



**HILDALE CITY**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**June 30, 2019**

	<u>Risk Management</u>	<u>Judgment Resolution</u>	<u>Administration</u>	<u>Total Internal Service Funds</u>
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 68,933	\$ 3,824	\$ -	\$ 72,757
Total current assets	<u>68,933</u>	<u>3,824</u>	<u>-</u>	<u>72,757</u>
Noncurrent assets:				
Capital assets:				
Buildings	-	-	456,806	456,806
Automobiles and trucks	-	-	27,123	27,123
Machinery and equipment	-	-	215,806	215,806
Less: accumulated depreciation	-	-	(204,608)	(204,608)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>495,127</u>	<u>495,127</u>
Total assets	<u>68,933</u>	<u>3,824</u>	<u>495,127</u>	<u>567,884</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	-	3,824	40,900	44,724
Due to other funds	-	-	396,692	396,692
Notes payable	68,933	-	-	68,933
Capital leases payable - current	-	-	13,599	13,599
Total current liabilities	<u>68,933</u>	<u>3,824</u>	<u>451,191</u>	<u>523,948</u>
Noncurrent liabilities:				
Notes payable	-	-	-	-
Capital leases payable	-	-	43,936	43,936
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>43,936</u>	<u>43,936</u>
Total liabilities	<u>68,933</u>	<u>3,824</u>	<u>495,127</u>	<u>567,884</u>
<b>Net position</b>				
Net investment in capital assets	-	-	437,592	437,592
Unrestricted	-	-	(437,592)	(437,592)
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HILDALE CITY**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2019**

	<u>Risk Management</u>	<u>Judgment Resolution</u>	<u>Administration</u>	<u>Total Internal Service Funds</u>
<b>Operating revenues</b>				
Charges for services:				
Risk management	\$ 3,567	\$ -	\$ -	\$ 3,567
Judgment resolution	-	50,182	-	50,182
Administration	-	-	529,112	529,112
Total operating revenues	<u>3,567</u>	<u>50,182</u>	<u>529,112</u>	<u>582,861</u>
<b>Operating expenses</b>				
Personnel expenses	-	-	326,808	326,808
Office expenses and travel	-	-	11,979	11,979
Services, supplies and other	-	-	38,287	38,287
Utilities	-	-	16,545	16,545
Insurance	-	-	82,294	82,294
Professional fees (non-legal)	-	49,888	2,246	52,134
Legal expenses and settlements	3,567	294	-	3,861
Depreciation	-	-	48,314	48,314
Total operating expenses	<u>3,567</u>	<u>50,182</u>	<u>526,473</u>	<u>580,222</u>
Operating income (loss)	<u>-</u>	<u>-</u>	<u>2,639</u>	<u>2,639</u>
<b>Nonoperating revenues (expenses)</b>				
Interest expense	-	-	(2,639)	(2,639)
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>(2,639)</u>	<u>(2,639)</u>
<b>Change in net position</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net position, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total net position, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**HILDALE CITY**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2019**

	Risk Management	Judgment Resolution	Administration	Total Internal Service Funds
<b>Cash flows from operating activities</b>				
Receipts from interfund charges for services	\$ 3,567	\$ 50,182	\$ 529,112	\$ 582,861
Payments to suppliers and service providers	(23,292)	(51,252)	(159,724)	(234,268)
Payments to employees	-	(294)	(326,808)	(327,102)
Cash flows from operating activities	<u>(19,725)</u>	<u>(1,364)</u>	<u>42,580</u>	<u>21,491</u>
<b>Cash flows from non-capital financing activities</b>				
Transfers from (to) other funds	-	-	(26,833)	(26,833)
Principal paid on debt	(75,200)	-	-	(75,200)
Cash flows from non-capital financing activities	<u>(75,200)</u>	<u>-</u>	<u>(26,833)</u>	<u>(102,033)</u>
<b>Cash flows from capital and related financing activities</b>				
Principal paid on capital debt	-	-	(13,108)	(13,108)
Interest paid	-	-	(2,639)	(2,639)
Cash flows from capital and related financing activities	<u>-</u>	<u>-</u>	<u>(15,747)</u>	<u>(15,747)</u>
<b>Net change in cash and cash equivalents</b>	(94,925)	(1,364)	-	(96,289)
Cash and cash equivalents, beginning of year	163,858	5,188	-	169,046
<b>Cash and cash equivalents, end of year</b>	<u>\$ 68,933</u>	<u>\$ 3,824</u>	<u>\$ -</u>	<u>\$ 72,757</u>
Reconciliation of operating income to net cash flows from operating activities:				
Operating income (loss)	\$ -	\$ -	\$ 2,639	\$ 2,639
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	-	48,314	48,314
Changes in operating assets and liabilities:				
Increase/(decrease) in accounts payable	(19,725)	(1,364)	(8,373)	(29,462)
Net cash flows from operating activities	<u>\$ (19,725)</u>	<u>\$ (1,364)</u>	<u>\$ 42,580</u>	<u>\$ 21,491</u>

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**OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS**

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**Independent Auditor’s Report on Internal Control  
Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

The Honorable Mayor and City Council  
Hildale City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hildale City, Utah (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated January 6, 2020.

**Internal Control Over Financial Reporting**

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

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

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

- 2014-001. Misstatements and Reconciliations
- 2007-002. Capital and Other Assets—Accounting and Controls
- 2007-004. Segregation of Duties

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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



HintonBurdick, PLLC  
St. George, Utah  
January 6, 2020





**Independent Auditor's Report on Compliance and  
Report on Internal Control over Compliance  
As Required by the *State Compliance Audit Guide***

Honorable Mayor and City Council  
Hildale City, Utah

**Report on Compliance**

We have audited Hildale City, Utah's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2019.

State compliance requirements were tested for the year ended June 30, 2019 in the following areas:

Budgetary Compliance	Fund Balance
Justice Courts	Restricted Taxes
Open and Public Meeting Act	Treasurer's Bond
Impact Fees	

***Management's Responsibility***

Management is responsible for compliance with the state requirements referred to above.

***Auditor's Responsibility***

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

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

***Opinion on General State Compliance Requirements***

In our opinion, Hildale City, Utah, complied, in all material aspects, with the compliance requirements referred to above for the year ended June 30, 2019.

## ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in the accompanying schedule of findings and recommendations as items 2019-001, 2019-002 and 2017-001. Our opinion on compliance is not modified with respect to these matters.

## **Report on Internal Control Over Compliance**

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

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

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

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



HintonBurdick, PLLC

January 6, 2020

St. George, Utah



**HILDALE CITY**  
**Findings and Recommendations**  
**For the Year Ended June 30, 2019**

Honorable Mayor and City Council  
Hildale City, Utah

Professional standards require that we communicate, in writing, deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. During our audit of Hildale City for the year ended June 30, 2019, we noted several areas needing corrective action for the City to be in compliance with laws and regulations, and we found several circumstances that, if improved, would strengthen the City's accounting system and control over its assets. These items are discussed below for your consideration.

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

**Material Weaknesses:**

None noted

**Significant Deficiencies:**

2014-001. Misstatements and Reconciliations

**Criteria:** Auditing standards indicate that the identification by the auditor of misstatements in the financial statements may be a deficiency in the City's internal controls.

**Condition:** A number of significant accounting adjustments to the general ledger were required that were not initially identified by the City's internal control. Furthermore, we noted reconciliations for some general ledger accounts, including certain cash accounts and receivables and payables, are not being accurately and/or timely performed, which is contributing to the misstatements. We have provided additional details on reconciliation issues in a separate communication to management.

**Cause:** Changes in accounting personnel and/or a lack of formal policies and procedures in certain areas may be the cause for various accounting adjustments. Procedures for year-end adjustments may also continue to need to be revised or improved in order to properly identify certain adjustments.

**Effect:** The City's financial statements would not have been fairly stated in all material respects without the adjustments. Regular and complete reconciliations of general ledger accounts provide important safeguards and controls to ensure the proper recording, deposit and disposition of the City's funds.

**Recommendation:** We recommend that management continue to review and understand the adjustments proposed by the auditor. We also recommend that the City continue to develop a plan to ensure that all significant and material adjustments are posted to the general ledger before the annual audit takes place. The plan should address the need to perform accurate and timely reconciliations of various general ledger accounts. The City should continue to improve its internal controls to a level where they will at least identify significant misstatements.

2007-002.

Capital and Other Assets—Accounting and Controls

**Criteria:** The City should maintain a complete record of capital asset additions and deletions for each fiscal year. The City should also perform a regular (e.g. annually), physical inventory of capital assets and reconcile it to the City's capital asset listings. The City should also have policies and procedures in place to track and monitor all significant assets regardless of whether or not the asset meets the City's capitalization policy threshold.

**Condition:** A complete record of capital asset additions and deletions is not being maintained throughout the year. We also noted that the City did not perform a complete, physical inventory of capital assets during the year under audit or in recent years. There are old, fully depreciated assets that may need to be removed from the City's capital asset listings. The City does not have adequate policies and procedures to track and monitor capital and other assets (e.g. vehicles, equipment, fuel inventory).

**Cause:** Timing restraints and/or changes in accounting personnel may be the cause for incomplete records and physical inventories of capital assets and insufficient policies and procedures for tracking and monitoring assets. Procedures for year-end reconciliations may also need to be revised or improved in order to properly identify certain capital asset activity.

**Effect:** The City's financial statements would not have been fairly stated in all material respects without capital asset adjustments. Furthermore, capital asset disposals may not be accounted for in the correct period without performing physical inventories of capital assets. The lack of policies and procedures over the use and tracking of assets may create opportunities for misappropriations, including the misuse of city resources.

**Recommendation:** We recommend that the City do the following:

1. Maintain throughout the year a detail list of capital asset additions and deletions for the fiscal year that shows a description, date of purchase and cost for each item. The list should be maintained for each capital asset general ledger account and should be maintained in such a way as to allow reconciliations to the general ledger. The City should consider using certain

accounts (expense or asset, as applicable) for items that management intends to add to its depreciation listing.

2. Conduct complete, year-end physical asset inventories and when practical, tagging of assets with an inventory tag/identification number.
3. Reconcile the year-end physical inventory of capital assets to the depreciation listing and the general ledger control accounts.
4. Establish policies and procedures regarding the use and tracking of capital and other significant assets (e.g. vehicles, equipment, fuel inventory). It's our understanding that the City has recently been working to address this.

2007-004.

#### Segregation of Duties

**Criteria:** Proper segregation of duties provides important safeguards and controls to ensure the proper recording, deposit and disposition of the City's funds. For a complete and proper segregation of duties within accounting functions, no one person should have duties in more than one of the following areas: custody of assets, recording functions and authorization abilities.

**Condition:** There appears to be a lack of segregation of duties (primarily related to cash receipting duties) with certain city accounting personnel. The City has some mitigating controls in place such that this is not deemed to be a material weakness. The City also has volunteers that may be involved in accounting related functions (relatively limited) and the controls and segregation of duties in such circumstances are uncertain.

**Cause:** The turnover in and the changes in responsibilities of accounting and administrative personnel in recent years has caused, in general, an increased lack of segregation of duties and a decrease in mitigating controls. Furthermore, the City often times gives certain duties (or at least the ability to perform certain duties) to multiple personnel, which decreases segregation of duties.

**Effect:** There is a potential for the misuse of assets or the possibility that if fraud were to occur, it would not be detected and corrected in a timely manner.

**Recommendation:** We realize that the size of the City and its administration staff may prohibit a complete and proper segregation of duties within its accounting functions. However, particularly as the City continues to adjust for recent changes in personnel and responsibilities, the City should ensure that the duties of city personnel are adequately segregated. City personnel with cash receipting duties should typically not have significant recording duties. The City should consider decreasing the number of personnel who can perform certain duties. For example, receipting/handling cash (including preparing and making deposits), recording transactions in the system (including making billing adjustments and write-offs), and preparing bank reconciliations.

The City should consider establishing additional mitigating controls such as independent reviews of non-routine journal entries and bad debt adjustments. We also recommend that the City consistently document the independent reviews of reports and statements (e.g. initial/sign journal entries/adjustments, bank reconciliations, credit card statements, etc.).

## COMPLIANCE AND OTHER MATTERS:

### Compliance:

#### 2019-001. Open and Public Meetings Act—Annual Training

**Criteria:** Utah Code 52-4-104 requires members of the governing body to receive annual training on the requirements of open and public meetings act. The presiding officer of the governing body shall ensure that member of the governing body are provided with the annual training.

**Condition:** Some members of the governing body did not complete the training for fiscal year 2019.

**Cause:** It appears the annual training was available but there was a lack of follow up and/or documentation in completing the training.

**Effect:** The City is not in compliance with state law and some of the members of the governing body may not be familiar with the state requirements.

**Recommendation:** We recommend that the City establish a policy and procedures that will allow the City to comply with this state requirement.

#### 2019-002. Fund Balance—General Fund Maximum

**Criteria:** Utah Code indicates that the maximum fund balance (including committed, assigned and unassigned fund balance) in the general fund may not exceed 25% of the total current fiscal year revenue (excluding transfers in and other financing sources) of the general fund.

**Condition:** Based on the above criteria and the City’s fiscal year 2019 revenues, the City’s fund balance in the general fund is over the state maximum as of June 30, 2019 by approximately \$124,000.

**Cause:** The City’s general fund revenues, including property taxes, can vary significantly from year to year, which makes the budgeting process challenging. It appears the City is trying to maintain sufficient reserves to be able to deal with the volatility of the revenues and the continuing changes facing the community.

**Effect:** The City is not in compliance with state law.

**Recommendation:** We recommend that the City establish procedures that will allow the City to comply with this state requirement.

2017-001. Impact Fees

**Criteria:** Utah Code 11-36a-601 requires the City to prepare and submit an annual impact fee schedule to the state that includes the following:

- 1) The source and amount of all money collected, earned and received during the fiscal year.
- 2) Each expenditure from impact fee funds during the fiscal year.
- 3) An accounting of impact fee funds on hand at the end of the fiscal year, including:
  - a) the year in which the impact fees were received;
  - b) the project from which the funds were collected;
  - c) the capital projects for which the funds are budgeted; and
  - d) the projected schedule for expenditure.

**Condition:** For the year ended June 30, 2019, the City did not timely submit a schedule that included all of the required information.

**Cause:** In years prior to fiscal year 2017, the City spent all impact fees in the year they were received and there were no unspent impact fees at fiscal year-end. Consequently, the City deemed the schedule not applicable for years prior to fiscal year 2017.

**Effect:** The City is not in compliance with state law.

**Recommendation:** We recommend the City establish additional procedures for preparing and submitting the annual impact fee schedule to ensure that the City is in compliance with state law.

Responses

Please respond to the above findings and recommendations in letter form for submission to the State Auditor's office as required by state law.

This letter is intended solely for the use of the mayor, city council, management and various federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

It has been a pleasure to be of service to the City this past year. We would like to express special thanks to each of you who assisted us in this year's audit. We invite you to ask questions of us throughout the year as you feel it necessary and we look forward to a continued pleasant professional relationship.

Sincerely,



HintonBurdick, PLLC  
January 6, 2020

**HILDALE/COLORADO CITY GAS DEPARTMENTS**  
**(UTILITY SYSTEMS MANAGEMENT, OPERATIONS & MAINTENANCE AGREEMENT)**

**FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**  
**WITH REPORT OF**  
**CERTIFIED PUBLIC ACCOUNTANTS**



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## **Independent Auditor's Report**

Executive Director and Members of the Board of  
Hildale/Colorado City Utility Systems

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the major fund of the Gas Departments of Hildale, Utah and Colorado City, Arizona (the Gas Departments) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Gas Departments' basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of the Gas Departments, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Report on Summarized Comparative Information*

We have previously audited the Gas Departments' financial statements for the year ended June 30, 2018, and our report dated January 17, 2019, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gas Departments' basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2020, on our consideration of the Gas Departments' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Gas Departments' internal control over financial reporting and compliance.

  
HintonBurdick, PLLC  
St. George, Utah  
January 6, 2020

## HILDALE/COLORADO CITY GAS DEPARTMENTS

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019

As management of the Gas Departments, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Gas Departments for the fiscal year ended June 30, 2019. Please read it in conjunction with the accompanying basic financial statements.

#### FINANCIAL HIGHLIGHTS

- Total assets exceed total liabilities (net position) by \$2,272,157 at the close of the fiscal year.
- Total net position decreased by \$68,993.
- Operating revenues and expenses are \$742,801 and \$845,217, respectively, resulting in operating loss of \$102,416 for the fiscal year.
- At the end of the fiscal year unrestricted net position is \$853,506.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements of the Gas Departments (a business-type activity) consist of the following:

**Statement of Net Position** – Presents information on all of the Gas Departments' assets and liabilities, with the difference reported as "total net position." The total net position, when viewed over time, will track the Gas Departments' financial position.

**Statement of Revenues, Expense, and Changes in Net Position** - Presents information regarding the change in the Gas Departments' net position during the fiscal year. The Gas Departments use the accrual basis of accounting in which revenues and expenses are recognized when earned and incurred. Thus, revenues and expenses are reported in these statements for items that will affect future cash flows.

**Statement of Cash Flows** – Presents net cash flows for operating activities, investing activities, and capital and related financing activities. It also includes the net cash change for the period, cash at the beginning of the period and cash at the end of the period.

#### FINANCIAL ANALYSIS

Condensed financial information derived from the basic financial statements is presented below followed by a brief narrative on selected items.

## HILDALE/COLORADO CITY GAS DEPARTMENTS

### Statement of Net Position (Condensed)

	<u>6/30/2019</u>	<u>6/30/2018</u>
Current assets	\$ 712,174	\$ 621,903
Noncurrent assets	<u>1,636,269</u>	<u>1,763,741</u>
Total assets	<u>2,348,443</u>	<u>2,385,644</u>
Current liabilities	75,259	43,741
Long-term liabilities	<u>1,027</u>	<u>753</u>
Total liabilities	<u>76,286</u>	<u>44,494</u>
Total net position	<u>\$ 2,272,157</u>	<u>\$ 2,341,150</u>

### Statement of Revenues, Expenses and Changes in Net Position (Condensed)

	<u>6/30/2019</u>	<u>6/30/2018</u>
Total operating revenues	\$ 742,801	\$ 680,246
Total operating expenses	<u>845,217</u>	<u>821,954</u>
Operating income (loss)	(102,416)	(141,708)
Nonoperating revenues (expenses)	20,100	(58,483)
Capital contributions	<u>13,323</u>	<u>12,055</u>
Change in net position	<u>\$ (68,993)</u>	<u>\$ (188,136)</u>

Operating expenses for the fiscal year were \$845,217 as shown above. Operating revenues were \$742,801. Operating income (loss) as a percentage of operating revenues for this year is -13.8% compared to -20.8% in the prior year.

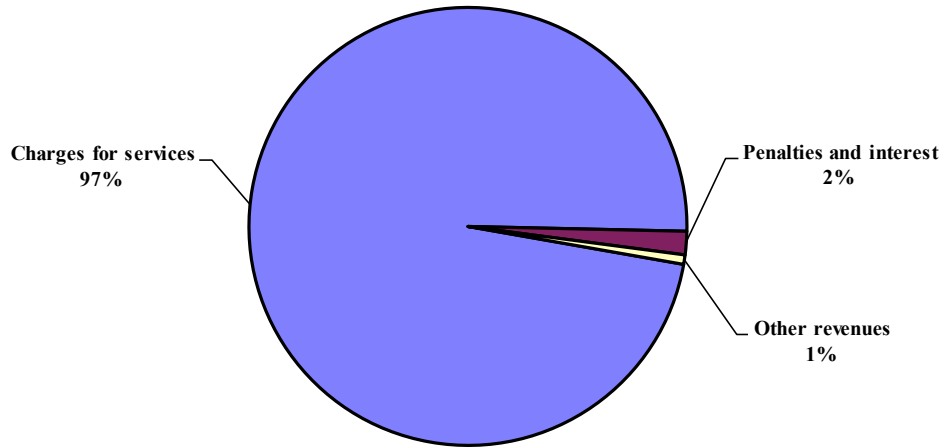
The Gas Departments provide propane and natural gas distribution to customers. The Gas Departments' net cost (total cost less revenues generated by the activities) is presented in the statement of revenues, expenses and changes in net position. For the year ended June 30, 2019, net position decreased by \$68,993.

A comparison of the operating revenues and operating expenses for the current and prior year is presented below:

**HILDALE/COLORADO CITY GAS DEPARTMENTS' REVENUE BY SOURCE (Combined)**  
**Years ended June 30, 2019 and 2018**

	<u>6/30/2019</u>	<u>6/30/2018</u>
OPERATING REVENUES:		
Charges for services	\$ 724,784	\$ 649,760
Penalties and interest	12,807	24,524
Other revenues	<u>5,210</u>	<u>5,962</u>
 Total revenues	 <u><u>\$ 742,801</u></u>	 <u><u>\$ 680,246</u></u>

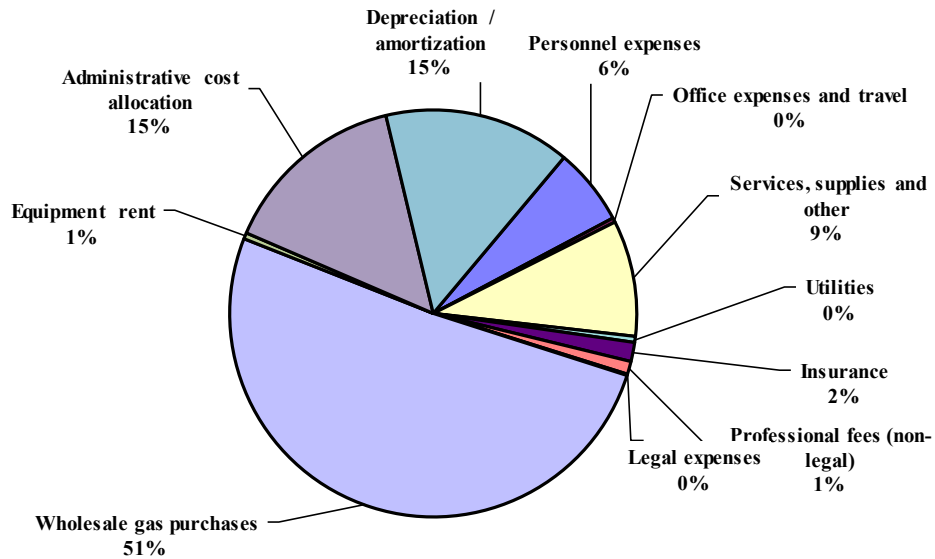
**Operating Revenues by Source - Current Year**



**HILDALE/COLORADO CITY GAS DEPARTMENTS' OPERATING EXPENSES (Combined)**  
**Years ended June 30, 2019 and 2018**

	<u>6/30/2019</u>	<u>6/30/2018</u>
<b>OPERATING EXPENSES:</b>		
Personnel expenses	\$ 51,728	\$ 53,468
Office expenses and travel	3,056	3,855
Services, supplies and other	77,874	57,239
Utilities	3,992	3,303
Insurance	12,859	12,505
Professional fees (non-legal)	8,666	25,809
Legal expenses	941	28,712
Wholesale gas purchases	431,475	377,239
Equipment rent	4,113	3,873
Administrative cost allocation	125,000	125,000
Depreciation / amortization	<u>125,513</u>	<u>130,951</u>
Total operating expenses	<u>\$ 845,217</u>	<u>\$ 821,954</u>

**Operating Expenses - Current Year**





## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

The capital assets of the Gas Departments are those assets that are used in performance of Gas Departments' functions including vehicles, equipment, buildings and the gas distribution system. At the end of fiscal year 2019, net capital assets of the Gas Departments activities totaled \$1,418,651.

### **Debt**

The Gas Departments' had no debt at June 30, 2019 (excluding compensated absences). See notes to the financial statements for a details.

## **NEXT YEAR'S BUDGET AND ECONOMIC FACTORS**

In considering the Gas Departments' budget for fiscal year 2019/2020, the board and management expect operating revenues and expenses to be similar compared to fiscal year 2018/2019. Overall operating expenses were budgeted so as to contain costs at approximately the same level as fiscal year 2018/2019.

## **CONTACTING THE DEPARTMENTS' FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Gas Departments' finances for all those with an interest in the entity's finances and to show the Gas Departments' accountability for the resources it receives. If you have questions about this report or need additional financial information, contact Vincen Barlow, P.O. Box 840490, Hildale, Utah 84784.

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**BASIC FINANCIAL STATEMENTS**

# HILDALE/COLORADO CITY GAS DEPARTMENTS

## Statement of Net Position For the Year Ended June 30, 2019 (With Comparative Totals for June 30, 2018)

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	<u>6/30/2019</u>	<u>6/30/2018</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 466,518	\$ 489,541
Receivables, net of allowance	82,149	70,468
Other receivable - vendor reimbursement	100,794	-
Note receivable - current portion	33,204	32,385
Deposits	29,509	29,509
Total current assets	<u>712,174</u>	<u>621,903</u>
Noncurrent assets:		
Note receivable - net of current portion	217,618	250,822
Property and equipment	2,831,741	2,800,496
Accumulated depreciation	<u>(1,413,090)</u>	<u>(1,287,577)</u>
Total noncurrent assets	<u>1,636,269</u>	<u>1,763,741</u>
Total assets	<u>2,348,443</u>	<u>2,385,644</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	74,571	43,160
Accrued liabilities	4	79
Compensated absences	684	502
Total current liabilities	<u>75,259</u>	<u>43,741</u>
Long-term liabilities		
Compensated absences	<u>1,027</u>	<u>753</u>
Total long-term liabilities	<u>1,027</u>	<u>753</u>
Total liabilities	<u>76,286</u>	<u>44,494</u>
<b>Net position</b>		
Net investment in capital assets	1,418,651	1,512,919
Unrestricted	<u>853,506</u>	<u>828,231</u>
Total net position	<u>\$ 2,272,157</u>	<u>\$ 2,341,150</u>

**HILDALE/COLORADO CITY GAS DEPARTMENTS**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2019**  
**(With Comparative Totals for June 30, 2018)**

	6/30/2019	6/30/2018
<b>Operating revenues</b>		
Charges for services	\$ 724,784	\$ 649,760
Penalties and interest	12,807	24,524
Other revenues	5,210	5,962
Total operating revenues	742,801	680,246
<b>Operating expenses</b>		
Personnel expenses	51,728	53,468
Office expenses and travel	3,056	3,855
Services, supplies and other	77,874	57,239
Utilities	3,992	3,303
Insurance	12,859	12,505
Professional fees (non-legal)	8,666	25,809
Legal expenses	941	28,712
Gas purchases and transportation costs	431,475	377,239
Equipment rent	4,113	3,873
Administrative cost allocation	125,000	125,000
Depreciation/amortization	125,513	130,951
Total operating expenses	845,217	821,954
<b>Operating income (loss)</b>	<b>(102,416)</b>	<b>(141,708)</b>
<b>Nonoperating revenues (expenses)</b>		
Interest income	20,100	13,517
Legal settlements	-	(72,000)
Total nonoperating revenue (expense)	20,100	(58,483)
Income (loss) before capital contributions	(82,316)	(200,191)
Capital contributions	13,323	12,055
Change in net position	(68,993)	(188,136)
Total net position, beginning of year	2,341,150	2,529,286
Total net position, end of year	\$ 2,272,157	\$ 2,341,150

# HILDALE/COLORADO CITY GAS DEPARTMENTS

## Statement of Cash Flows

For the Year Ended June 30, 2019

(With Comparative Totals for June 30, 2018)

	<u>6/30/2019</u>	<u>6/30/2018</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers, service fees	\$ 713,103	\$ 649,024
Receipts from customers, other	18,017	30,486
Payments to suppliers and service providers	<u>(788,706)</u>	<u>(671,637)</u>
Cash flows from operating activities	<u>(57,586)</u>	<u>7,873</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of property and equipment	(31,245)	-
Capital contributions	13,323	12,055
Legal settlements	<u>-</u>	<u>(72,000)</u>
Cash flows from capital and related financing activities	<u>(17,922)</u>	<u>(59,945)</u>
<b>Cash flows from investing activities:</b>		
Net change in note receivable	32,385	31,586
Interest received	<u>20,100</u>	<u>13,517</u>
Cash flows from investing activities	<u>52,485</u>	<u>45,103</u>
<b>Net change in cash and cash equivalents</b>	(23,023)	(6,969)
Cash and cash equivalents, beginning of year	<u>489,541</u>	<u>496,510</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 466,518</u>	<u>\$ 489,541</u>
Reconciliation of operating income to net cash flows from operating activities:		
Net operating income (loss)	\$ (102,416)	\$ (141,708)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/amortization	125,513	130,951
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(11,681)	(736)
(Increase)/decrease in receivables - other	(100,794)	-
Increase/(decrease) in accounts payable	31,411	24,250
Increase/(decrease) in accrued liabilities	<u>381</u>	<u>(4,884)</u>
Cash flows from operating activities	<u>\$ (57,586)</u>	<u>\$ 7,873</u>

# HILDALE/COLORADO CITY GAS DEPARTMENTS

## Notes to the Financial Statements

June 30, 2019

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### NOTE 1. Summary of Significant Accounting Policies

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#### Description of Government-Wide Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities, if any, are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

#### Reporting Entity

The Gas Distribution Systems, Operations and Maintenance Agreement or the Gas Departments of Hildale/Colorado City (the Gas Departments) was formalized on June 22, 2009, by the Town of Colorado City, Arizona and Hildale City, Utah—the Town of Colorado City, Arizona, pursuant to the provisions of Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended (the “Arizona Joint Exercise of Powers Act”) and the City of Hildale, Utah, pursuant to the provisions of Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “Utah Interlocal Co-operation Act”) entered into the “Inter-Governmental Agreement.” An updated intergovernmental cooperative agreement for utilities systems management, operation and maintenance became effective in May 2014.

The board of trustees consists of nine members—four appointed by the mayor and council of Hildale City, four appointed by the mayor and council of Colorado City and one appointed by the joint designation of both municipalities. Each member is entitled to one vote. The Hildale City council consists of a mayor and five council members. The Colorado City council consists of a mayor and six council members. Budgeting and financing is done by the board and is ratified by each municipality’s council.

The accompanying financial statements present the Gas Departments and its component units, entities for which the government is considered to be financially accountable. There are no component units for the Gas Departments.

#### Basis of Presentation – Government-Wide Financial Statements

Separate government-wide and fund financial statements are not presented because the Gas Departments only have business-type activities. The business-type activities incorporate data from the Gas Departments’ enterprise funds. Financial statements are provided for proprietary funds.

#### Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the Gas Departments’ funds. Statements for each fund category (i.e. proprietary) are presented. The emphasis of fund financial statements is on major enterprise funds. Major individual enterprise funds are reported as separate columns in the fund financial statements. The Departments’ only fund is an enterprise fund.

# HILDALE/COLORADO CITY GAS DEPARTMENTS

## Notes to the Financial Statements

June 30, 2019

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### NOTE 1. Summary of Significant Accounting Policies, Continued

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

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

#### **Measurement Focus and Basis of Accounting**

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

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

Proprietary funds use the *economic resources measurement focus* and the *accrual basis of accounting*.

#### **Assets, Liabilities and Net Position**

##### ***Cash and Cash Equivalents***

The Gas Departments' 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.

##### ***Investments***

The Gas Departments' investment policy allows for the investment of funds in the state treasurer's pool and other investments as allowed by the State of Utah's Money Management Act. Investments for the Gas Departments are reported at fair value (generally based on quoted market prices) with unrealized gains and losses recorded as adjustments to interest/investment earnings.



**HILDALE/COLORADO CITY GAS DEPARTMENTS**

**Notes to the Financial Statements**

**June 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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***Receivables***

Receivables consist primarily of accounts due for gas services provided and related late penalties and interest. Management periodically reviews accounts receivable and writes off uncollectible accounts. The Gas Departments' allowance for uncollectible accounts as of June 30, 2019 is \$37,747.

***Inventories***

Inventories, if any, are valued at cost using the first-in/first-out (FIFO) method and consist of system materials not placed in service.

***Capital Assets***

Capital assets in the proprietary funds are carried at cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Capital assets are defined by the Gas Departments as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of two years. Depreciation is computed using the straight-line method over the following estimated useful lives:

Equipment and automobiles/trucks	5-20 years
Buildings and improvements	10-40 years
Distribution system	25 years

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in change in net position for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

***Net Position Flow Assumption***

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

**Revenues and Expenses**

***Program Revenues***

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment.

# HILDALE/COLORADO CITY GAS DEPARTMENTS

## Notes to the Financial Statements

June 30, 2019

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### NOTE 1. Summary of Significant Accounting Policies, Continued

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#### *Personnel, Payroll and Compensated Absences*

The majority of Gas Departments' personnel are employed by the Town of Colorado City. The Gas Departments reimburse Colorado City for wages, payroll taxes and benefits for these contracted employees. Some of the personnel are not full-time employees. Given that the majority of the Departments' personnel are actually employed by Colorado City, accruals for compensated absences are based on Colorado City's related policies.

#### *Proprietary Funds Operating and Nonoperating Revenues and Expenses*

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

#### **Budgets and Budgetary Accounting**

Annual budgets are prepared and adopted by each of the city councils on or before June 22 for the fiscal year commencing the following July 1, in accordance with state law. The operating budget includes proposed expenditures and the proposed sources of financing for such expenditures. Prior to June 22, a public hearing is conducted to obtain taxpayer input. Budgets are adopted and control of budget appropriations is exercised, under State law, at the department level. Budget amendments are required to increase expenditure budgets. The Gas Departments' board adopts or ratifies, by resolution, the budgets passed by each city council. Budgets for the proprietary fund types are prepared using the accrual basis of accounting.

#### **Use of Estimates**

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

**HILDALE/COLORADO CITY GAS DEPARTMENTS**

**Notes to the Financial Statements**

**June 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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**Summarized Comparative Information**

Comparative total data for the prior fiscal year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Gas Departments' financial position and operations. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Departments' financial statements for the year ended June 30, 2018, from which the summarized information was derived. Certain reclassifications have been made to the June 30, 2018 financial statement presentation to correspond to the current fiscal year's format. Equity and related changes in equity are unchanged due to these reclassifications.

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**NOTE 2. Deposits and Investments**

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The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The Gas Departments follow the requirements of the Utah Money Management Act (Utah code, Section 51, chapter 7) in handling its depository and investment transactions. The Act requires the depositing of the Gas Departments' funds in qualified depositories. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Gas Departments participate in Hildale City's central treasury. The City's central treasury consists of the following at June 30, 2019:

State Treasurer's Investment Pool	\$ 2,393,292
Cash in bank	299,790
Less amounts to other HC and CC Joint Utilities/Hildale City	<u>(2,226,564)</u>
	<u>\$ 466,518</u>
Equity in central treasury	<u>\$ 466,518</u>

**HILDALE/COLORADO CITY GAS DEPARTMENTS**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 2. Deposits and Investments, Continued**

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**Deposits**

*Custodial Credit Risk*

For deposits this is the risk that in the event of a bank failure, the government's deposit may not be returned to it. Hildale City does not have a formal policy for custodial credit risk. As of June 30, 2019, \$107,549 of Hildale City's central treasury's bank balance of \$370,316 was exposed to custodial credit risk because it was uninsured and uncollateralized.

**Investments**

The Money Management Act defines the types of securities authorized as an appropriate investment for the Gas Departments' and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

The Act authorizes investments in negotiable or nonnegotiable deposits of qualified depositories and permitted depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; the Utah Public Treasurer's Investment Fund; and reciprocal deposits subject to rules of the State Money Management Council.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953*, as amended. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gain or losses on investments. Financial statements for the PTIF funds can be obtained by contacting the Utah State Treasurer's office.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses – net of administration fees, of the PTIF are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

**HILDALE/COLORADO CITY GAS DEPARTMENTS**  
**Notes to the Financial Statements**  
**June 30, 2019**

**NOTE 2. Deposits and Investments, Continued**

As of June 30, 2019, Hildale City had the following investments, ratings, and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating (1)</u>	<u>Weighted Average Maturity (2)</u>
State of Utah Public Treasurer's Investment Fund	\$2,393,292	N/A	47.67
Total Fair Value	<u>\$2,393,292</u>		

(1) Ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable.

(2) Interest rate risk is estimated using the weighted average days to maturity.

**Interest rate risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Gas Departments' policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

**Credit risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Gas Departments' policy for reducing exposure to credit risk is to comply with the State's Money Management Act.

**Fair value measurements**

As noted above, the Gas Departments holds investments that are measured at fair value on a recurring basis. The Gas Departments categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The State of Utah Public Treasurer's Investment Fund, as listed above, is valued using significant other observable inputs (Level 2 inputs).

**HILDALE/COLORADO CITY GAS DEPARTMENTS**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 3. Capital Assets**

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The following summarizes the changes to capital assets during the year ended June 30, 2019:

	<u>Balance</u> <u>6/30/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2019</u>
Capital assets being depreciated:				
Machinery and equipment	\$ 435,671	\$ 31,245	\$ -	\$ 466,916
Automobiles and trucks	291,624	-	-	291,624
Buildings and improvements	15,457	-	-	15,457
Distribution system	<u>2,057,744</u>	<u>-</u>	<u>-</u>	<u>2,057,744</u>
Total capital assets being depreciated	<u>2,800,496</u>	<u>31,245</u>	<u>-</u>	<u>2,831,741</u>
Less accumulated depreciation for:				
Machinery and equipment	(265,465)	(27,372)	-	(292,837)
Automobiles and trucks	(237,596)	(14,845)	-	(252,441)
Buildings and improvements	(6,847)	(986)	-	(7,833)
Distribution system	<u>(777,669)</u>	<u>(82,310)</u>	<u>-</u>	<u>(859,979)</u>
Total accumulated depreciation	<u>(1,287,577)</u>	<u>(125,513)</u>	<u>-</u>	<u>(1,413,090)</u>
Total capital assets, being depreciated, net	<u>1,512,919</u>	<u>(94,268)</u>	<u>-</u>	<u>1,418,651</u>
Total capital assets, net	<u>\$1,512,919</u>	<u>\$ (94,268)</u>	<u>\$ -</u>	<u>\$1,418,651</u>

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**NOTE 4. Note Receivable**

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In fiscal year 2016, the Gas Departments loaned the Hildale/Colorado City Water Departments \$345,600 in connection with the Water Departments' acquisition of water rights. The terms of the note are as follows: bears interest at 2.50%, due in monthly principal and interest installments of \$3,258, and matures in June 2026. The principal amount due in the next fiscal year is included in the current portion on the statement of net position. Management believes an allowance is not considered necessary.

**HILDALE/COLORADO CITY GAS DEPARTMENTS**

**Notes to the Financial Statements**

**June 30, 2019**

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**NOTE 5. Long-Term Liabilities**

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The following summarizes the changes to long-term liabilities for the year ended June 30, 2019:

	<u>Balance 6/30/2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/2019</u>	<u>Current Portion</u>
Compensated absences	<u>\$ 1,255</u>	<u>\$ 456</u>	<u>\$ -</u>	<u>\$ 1,711</u>	<u>\$ 684</u>
Total long-term liabilities	<u>\$ 1,255</u>	<u>\$ 456</u>	<u>\$ -</u>	<u>\$ 1,711</u>	<u>\$ 684</u>

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**NOTE 6. Risk Management**

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The Departments are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The Departments maintain insurance for the gas distribution systems through Hildale City's and Colorado City's insurance policies. The majority of employees are employed by Colorado City and covered by Colorado City's insurance policy.

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**SUPPLEMENTARY INFORMATION**

**HILDALE/COLORADO CITY GAS DEPARTMENTS**  
**Intergovernmental Cooperative Agreement and Proportionate Shares**

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The Gas Distribution Systems, Operations and Maintenance Agreement of the Gas Departments of Hildale/Colorado City (the Gas Departments) was formalized on June 22, 2009, by the Town of Colorado City, Arizona and Hildale City, Utah—the Town of Colorado City, Arizona, pursuant to the provisions of Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended (the “Arizona Joint Exercise of Powers Act”) and the City of Hildale, Utah, pursuant to the provisions of Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “Utah Interlocal Co-operation Act”) entered into the “Intergovernmental Agreement.” An updated intergovernmental cooperative agreement for utilities systems management, operation and maintenance became effective in May 2014.

The Gas Departments’ proportionate shares are based on the proportionate amount of gas system utility customers and usage for each of the municipalities. The proportionate shares as of and for the year ended June 30, 2019 are 40.00% for Hildale City and 60.00% for Colorado City, respectively, which is the same as the prior fiscal year. Any such change results in an allocation percentage adjustment and is shown on the schedule of revenues, expenses and changes in net position—proportionate shares, if applicable. **The following supplementary schedules include a schedule of net position and schedule of revenues, expenses and changes in net position presenting the proportionate shares of Hildale City and Colorado City.**

**HILDALE/COLORADO CITY GAS DEPARTMENTS**  
**Schedule of Net Position—Proportionate Shares**  
**June 30, 2019**

	40.00%	60.00%	100.00%
	<u>Hildale City</u>	<u>Colorado City</u>	<u>Total</u>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 186,607	\$ 279,911	\$ 466,518
Receivables, net of allowance	32,860	49,289	82,149
Other receivable - vendor reimbursement	40,318	60,476	100,794
Note receivable - current portion	13,282	19,922	33,204
Deposits	11,804	17,705	29,509
Total current assets	<u>284,871</u>	<u>427,303</u>	<u>712,174</u>
Noncurrent assets:			
Note receivable - net of current portion	87,047	130,571	217,618
Property and equipment	1,132,696	1,699,045	2,831,741
Accumulated depreciation	<u>(565,236)</u>	<u>(847,854)</u>	<u>(1,413,090)</u>
Total noncurrent assets	<u>654,507</u>	<u>981,762</u>	<u>1,636,269</u>
Total assets	<u>939,378</u>	<u>1,409,065</u>	<u>2,348,443</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	29,828	44,743	74,571
Accrued liabilities	2	2	4
Compensated absences	274	410	684
Total current liabilities	<u>30,104</u>	<u>45,155</u>	<u>75,259</u>
Long-term liabilities:			
Compensated absences	411	616	1,027
Total long-term liabilities	<u>411</u>	<u>616</u>	<u>1,027</u>
Total liabilities	<u>30,515</u>	<u>45,771</u>	<u>76,286</u>
<b>Net position</b>			
Net investment in capital assets	567,460	851,191	1,418,651
Unrestricted	341,403	512,103	853,506
Total net position	<u>\$ 908,863</u>	<u>\$ 1,363,294</u>	<u>\$ 2,272,157</u>

**HILDALE/COLORADO CITY GAS DEPARTMENTS**  
**Schedule of Revenues, Expenses and Changes in Net Position—Proportionate Shares**  
**For the Year Ended June 30, 2019**

	40.00%	60.00%	100.00%
	<u>Hildale City</u>	<u>Colorado City</u>	<u>Total</u>
<b>Operating revenues</b>			
Charges for services	\$ 289,914	\$ 434,870	\$ 724,784
Penalties and interest	5,123	7,684	12,807
Other revenues	2,084	3,126	5,210
	<u>297,121</u>	<u>445,680</u>	<u>742,801</u>
<b>Operating expenses</b>			
Personnel expenses	20,691	31,037	51,728
Office expenses and travel	1,222	1,834	3,056
Services, supplies and other	31,151	46,723	77,874
Utilities	1,597	2,395	3,992
Insurance	5,144	7,715	12,859
Professional fees (non-legal)	3,466	5,200	8,666
Legal expenses	376	565	941
Gas purchases and transportation costs	172,590	258,885	431,475
Equipment rent	1,645	2,468	4,113
Administrative cost allocation	50,000	75,000	125,000
Depreciation/amortization	50,205	75,308	125,513
	<u>338,087</u>	<u>507,130</u>	<u>845,217</u>
<b>Operating income (loss)</b>	<u>(40,966)</u>	<u>(61,450)</u>	<u>(102,416)</u>
<b>Nonoperating revenues (expenses)</b>			
Interest income	8,040	12,060	20,100
	<u>8,040</u>	<u>12,060</u>	<u>20,100</u>
Total nonoperating revenue (expense)	<u>8,040</u>	<u>12,060</u>	<u>20,100</u>
Income (loss) before capital contributions	(32,926)	(49,390)	(82,316)
Capital contributions	5,329	7,994	13,323
Change in net position	(27,597)	(41,396)	(68,993)
Total net position, beginning of year	<u>936,460</u>	<u>1,404,690</u>	<u>2,341,150</u>
Total net position, end of year	<u>\$ 908,863</u>	<u>\$ 1,363,294</u>	<u>\$ 2,272,157</u>

**OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS**

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**Independent Auditor's Report on Internal Control  
Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Executive Director and Members of the Board of  
Hildale/Colorado City Utility Systems

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the major fund of the Gas Departments of Hildale/Colorado City (the Gas Departments), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Gas Departments' basic financial statements and have issued our report thereon dated January 6, 2020.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the schedule of findings and recommendations in the Hildale City's financial statements that we consider to be significant deficiencies.

- 2014-001. Misstatements and Reconciliations
- 2007-002. Capital and Other Assets—Accounting and Controls
- 2007-004. Segregation of Duties

## Compliance and Other Matters

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

## Purpose of this Report

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



HintonBurdick, PLLC

St. George, Utah

January 6, 2020





## Findings and Recommendations

Executive Director and  
Members of the Board of Trustees of  
Hildale/Colorado City Utility Systems

During our audit of the Gas Departments of Hildale/Colorado City (the Gas Departments) for the year ended June 30, 2019, we noted a few areas that need corrective action in order to be in compliance with laws and regulations and we found a few circumstances that, if improved, would strengthen the Gas Departments' accounting system and control over its assets.

Since the Gas Departments' accounting system is fully integrated with Hildale City's accounting system, we have included all of our findings and recommendations in the Hildale City management letter, which is made available to each participating governing body.

It has been a pleasure to be of service to the Gas Departments this past year. We would like to express special thanks to all those who assisted us in this year's audit. We invite you to ask questions of us throughout the year as you feel it necessary and we look forward to a continued pleasant professional relationship.

Sincerely,

HintonBurdick, PLLC  
St. George, Utah  
January 6, 2020

**HILDALE/COLORADO CITY WATER DEPARTMENTS**  
**(UTILITY SYSTEMS MANAGEMENT, OPERATIONS & MAINTENANCE AGREEMENT)**

**FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2019**  
**WITH REPORT OF**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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## **Independent Auditor's Report**

Executive Director and Members of the Board of  
Hildale/Colorado City Utility Systems

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the major fund of the Water Departments of Hildale, Utah and Colorado City, Arizona (the Water Departments) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Water Departments' basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of the Water Departments, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Report on Summarized Comparative Information*

We have previously audited the Water Departments' financial statements for the year ended June 30, 2018, and our report dated January 17, 2019, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Water Departments' basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2020, on our consideration of the Water Departments' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Water Departments' internal control over financial reporting and compliance.

  
HintonBurdick, PLLC  
St. George, Utah  
January 6, 2020

## HILDALE/COLORADO CITY WATER DEPARTMENTS

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019

As management of the Water Departments, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Water Departments for the fiscal year ended June 30, 2019. Please read it in conjunction with the accompanying basic financial statements.

#### FINANCIAL HIGHLIGHTS

- Total assets exceed total liabilities (net position) by \$1,596,574 at the close of the fiscal year.
- Total net position increased by \$17,918.
- Operating revenues and expenses are \$725,567 and \$719,517, respectively, resulting in an operating income of \$6,050 for the fiscal year.
- At the end of the fiscal year unrestricted net position is \$353,418.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements of the Water Departments' (a business-type activity) consist of the following:

**Statement of Net Position** – Presents information on all of the Water Departments' assets and liabilities, with the difference reported as "total net position." The total net position, when viewed over time, tracks the Water Departments' financial position.

**Statement of Revenues, Expense, and Changes in Net Position** - Presents information regarding the change in the Departments' net position during the year. The Water Departments use the accrual basis of accounting in which revenues and expenses are recognized when earned and incurred. Thus, revenues and expenses are reported in these statements for items that will affect future cash flows.

**Statement of Cash Flows** – Presents net cash flows for operating activities, investing activities, and capital and related financing activities. It also includes the net cash increase for the period, cash at the beginning of the period and cash at the end of the period.

#### FINANCIAL ANALYSIS

Condensed financial information derived from the basic financial statements is presented below followed by a brief narrative on selected items.

## HILDALE/COLORADO CITY WATER DEPARTMENTS

### Statement of Net Position (Condensed)

	<u>6/30/2019</u>	<u>6/30/2018</u>
Current assets	\$ 384,537	\$ 350,272
Noncurrent assets	<u>1,698,581</u>	<u>1,796,315</u>
Total assets	<u>2,083,118</u>	<u>2,146,587</u>
Current liabilities	266,254	314,995
Long-term liabilities	<u>220,290</u>	<u>252,936</u>
Total liabilities	<u>486,544</u>	<u>567,931</u>
Total net position	<u>\$ 1,596,574</u>	<u>\$ 1,578,656</u>

### Statement of Revenues, Expenses and Changes in Net Position (Condensed)

	<u>6/30/2019</u>	<u>6/30/2018</u>
Total operating revenues	\$ 725,567	\$ 871,070
Total operating expenses	<u>719,517</u>	<u>916,239</u>
Operating income (loss)	6,050	(45,169)
Nonoperating revenues (expenses)	648	(62,752)
Capital contributions	<u>11,220</u>	<u>326,182</u>
Change in net position	<u>\$ 17,918</u>	<u>\$ 218,261</u>

As shown above, operating expenses for the year were \$719,517 and operating revenues were \$725,567. Operating income as percentage of operating revenues is 0.8%.

The Water Departments provide water services to customers. The Departments' net cost (total cost less revenues generated by the activities) is presented in the statement of revenues, expenses and changes in net position. For the year ended June 30, 2019, net position increased by \$17,918.

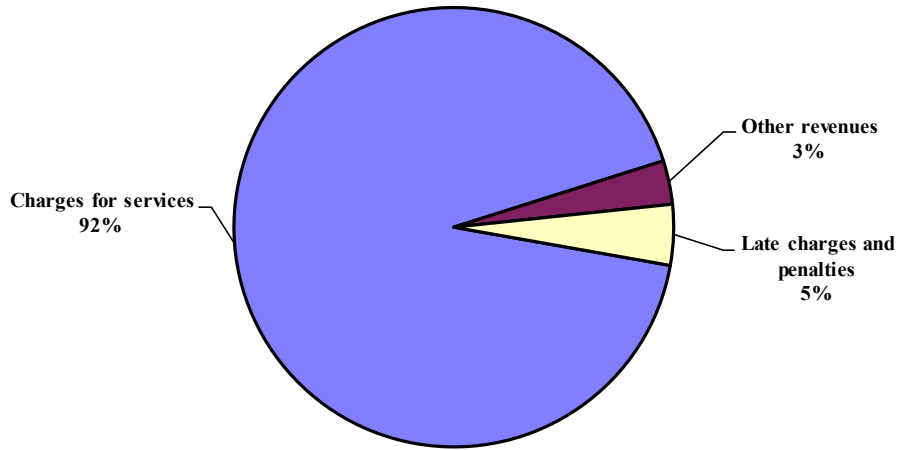
A comparison of the operating revenues and operating expenses for the current and prior year is presented on the following two pages.



**HILDALE/COLORADO CITY WATER DEPARTMENTS' REVENUE BY SOURCE (Combined)**  
**Years ended June 30, 2019 and 2018**

	<u>6/30/2019</u>	<u>6/30/2018</u>
OPERATING REVENUES:		
Charges for services	\$ 669,946	\$ 768,392
Other revenues	23,350	24,828
Late charges and penalties	<u>32,271</u>	<u>77,850</u>
 Total revenues	 <u>\$ 725,567</u>	 <u>\$ 871,070</u>

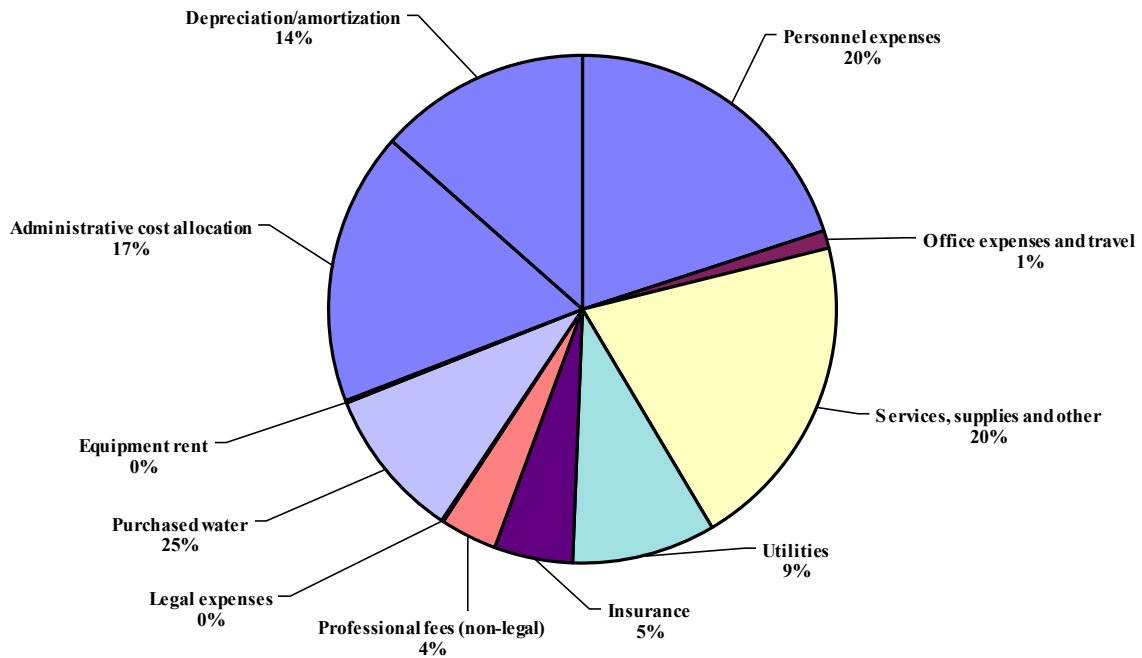
**Revenues by Source - Current Year**



**HILDALE/COLORADO CITY WATER DEPARTMENTS' OPERATING EXPENSES (Combined)**  
**Years ended June 30, 2019 and 2018**

	<u>6/30/2019</u>	<u>6/30/2018</u>
<b>OPERATING EXPENSES:</b>		
Personnel expenses	\$ 143,908	\$ 147,836
Office expenses and travel	8,089	11,298
Services, supplies and other	146,352	155,092
Utilities	65,828	51,144
Insurance	36,004	35,003
Professional fees (non-legal)	25,984	31,393
Legal expenses	941	28,712
Purchased water	69,193	231,410
Equipment rent	1,156	-
Administrative cost allocation	125,000	125,000
Depreciation/amortization	<u>97,062</u>	<u>99,351</u>
Total operating expenses	<u>\$ 719,517</u>	<u>\$ 916,239</u>

**Operating Expenses - Current Year**



## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

The capital assets of the Water Departments are those assets that are used in performance of the Water Departments' functions including vehicles, equipment, buildings and water system. At the end of fiscal year 2019, net capital assets of the Water Departments totaled \$1,493,978.

### **Debt**

At fiscal year-end the Water Departments had \$250,822 in long-term debt, which relates to a loan with the Gas Departments. During the current fiscal year the Water Departments' debt decreased by \$32,385. See the notes to the financial statements for details.

### **NEXT YEAR'S BUDGET AND ECONOMIC FACTORS**

In considering the Departments budget for fiscal year 2019/2020, the board and management expect operating revenues and expenses to be similar compared to fiscal year 2018/2019. Overall, operating expenses were budgeted so as to contain costs at approximately the same level as fiscal year 2018/2019.

### **CONTACTING THE DEPARTMENTS' FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Water Departments' finances for all those with an interest in the government's finances and to show the Water Departments' accountability for the resources it receives. If you have questions about this report or need additional financial information, contact Vincen Barlow, P.O. Box 840490, Hildale, Utah 84784.

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**BASIC FINANCIAL STATEMENTS**

**HILDALE/COLORADO CITY WATER DEPARTMENTS**  
**Statement of Net Position**  
**Enterprise Fund**  
**June 30, 2019**  
**(With Comparative Totals for June 30, 2018)**

	<u>6/30/2019</u>	<u>6/30/2018</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 259,303	\$ 141,809
Receivables, net of allowance	125,234	184,439
Inventory	-	24,024
Total current assets	<u>384,537</u>	<u>350,272</u>
Non current assets:		
Restricted cash - deposits	204,603	208,775
Property and equipment	3,056,326	3,052,826
Accumulated depreciation	(1,562,348)	(1,465,286)
Total noncurrent assets	<u>1,698,581</u>	<u>1,796,315</u>
 <b>Total assets</b>	 <u>2,083,118</u>	 <u>2,146,587</u>
 <b>Liabilities</b>		
Current liabilities:		
Accounts payable	26,666	72,425
Customer deposits	204,603	208,775
Compensated absences	1,781	1,410
Notes payable - current portion	33,204	32,385
Total current liabilities	<u>266,254</u>	<u>314,995</u>
Non current liabilities:		
Compensated absences	2,672	2,114
Notes payable-net of current portion	217,618	250,822
Total non current liabilities	<u>220,290</u>	<u>252,936</u>
Total liabilities	<u>486,544</u>	<u>567,931</u>
 <b>Net position</b>		
Net investment in capital assets	1,243,156	1,304,333
Unrestricted	353,418	274,323
 <b>Total net position</b>	 <u>\$ 1,596,574</u>	 <u>\$ 1,578,656</u>

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

**HILDALE/COLORADO CITY WATER DEPARTMENTS**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Enterprise Fund**  
**For the Year Ended June 30, 2019**  
**(With Comparative Totals for June 30, 2018)**

	6/30/2019	6/30/2018
<b>Operating revenues</b>		
Charges for services	\$ 669,946	\$ 768,392
Other revenues	23,350	24,828
Late charges and penalties	32,271	77,850
Total operating revenues	725,567	871,070
<b>Operating expenses</b>		
Personnel expenses	143,908	147,836
Office expenses and travel	8,089	11,298
Services, supplies and other	146,352	155,092
Utilities	65,828	51,144
Insurance	36,004	35,003
Professional fees (non-legal)	25,984	31,393
Legal expenses	941	28,712
Purchased water	69,193	231,410
Equipment rent	1,156	-
Administrative cost allocation	125,000	125,000
Depreciation/amortization	97,062	99,351
Total operating expenses	719,517	916,239
<b>Operating income (loss)</b>	<b>6,050</b>	<b>(45,169)</b>
<b>Nonoperating revenues (expenses)</b>		
Interest income	11,679	4,648
Impact fees	(11,820)	11,820
Other revenues	7,500	290
Legal settlements	-	(72,000)
Interest expense and fiscal charges	(6,711)	(7,510)
Total nonoperating revenues (expense)	648	(62,752)
Income (loss) before capital contributions	6,698	(107,921)
Capital contributions	11,220	326,182
<b>Change in net position</b>	<b>17,918</b>	<b>218,261</b>
Total net position, beginning of year	1,578,656	1,360,395
<b>Total net position, end of year</b>	<b>\$ 1,596,574</b>	<b>\$ 1,578,656</b>

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

**HILDALE/COLORADO CITY WATER DEPARTMENTS**  
**Statement of Cash Flows**  
**Enterprise Fund**  
**For the Year Ended June 30, 2019**  
**(With Comparative Totals for June 30, 2018)**

	6/30/2019	6/30/2018
<b>Cash flows from operating activities</b>		
Receipts from customers, service fees	\$ 729,151	\$ 751,184
Receipts from customers, other	51,449	110,600
Payments to suppliers and service providers	(643,261)	(812,237)
<b>Cash flows from operating activities</b>	<b>137,339</b>	<b>49,547</b>
<b>Cash flows from capital and related financing activities</b>		
Impact fees	(11,820)	11,820
Other revenues	7,500	290
Capital contributions	11,220	4,873
Legal settlements	-	(72,000)
Acquisition of capital assets	(3,500)	(19,837)
Principal paid on capital debt	(32,385)	(31,586)
Interest paid on capital debt	(6,711)	(7,510)
<b>Cash flows from capital and related financing activities</b>	<b>(35,696)</b>	<b>(113,950)</b>
<b>Cash flows from investing activities</b>		
Interest received	11,679	4,648
<b>Net change in cash and cash equivalents</b>	<b>113,322</b>	<b>(59,755)</b>
Balances - beginning of the year, including restricted cash	350,584	410,339
<b>Balances - end of the year,     including restricted cash</b>	<b>\$ 463,906</b>	<b>\$ 350,584</b>
Reconciliation of operating income to net cash flows from operating activities:		
Net operating income (loss)	\$ 6,050	\$ (45,169)
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:		
Depreciation/amortization	97,062	99,351
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	59,205	(17,208)
(Increase)/decrease in inventory	24,024	(24,024)
Increase/(decrease) in accounts payable	(45,759)	32,190
Increase/(decrease) in accrued liabilities	929	(3,515)
Increase/(decrease) in customer deposits	(4,172)	7,922
Cash flows from operating activities	<b>\$ 137,339</b>	<b>\$ 49,547</b>
<b>Schedule of non-cash capital and related financing activities:</b>		
Contributions of capital assets	\$ -	\$ 321,309

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



**HILDALE/COLORADO CITY WATER DEPARTMENTS**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies**

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**Description of Government-Wide Financial Statements**

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities, if any, are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

**Reporting Entity**

The Twin City Water Joint Management Operations and Maintenance Agreement or the Water Departments of Hildale/Colorado City (the Water Departments) was formed on February 22, 1997, by the Town of Colorado City, Arizona and Hildale City, Utah—the Town of Colorado City, Arizona, pursuant to the provisions of Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended (the “Arizona Joint Exercise of Powers Act”) and the City of Hildale, Utah, pursuant to the provisions of Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “Utah Interlocal Co-operation Act”) intend to enter into the “Inter-Governmental Agreement.” An updated intergovernmental cooperative agreement for utilities systems management, operation and maintenance became effective in May 2014.

The board of trustees consists of nine members—four appointed by the mayor and council of Hildale City, four appointed by the mayor and council of Colorado City and one appointed by the joint designation of both municipalities. Each member is entitled to one vote. The Hildale City council consists of a mayor and five council members. The Colorado City council consists of a mayor and six council members. Budgeting and financing is done by the board and is ratified by each municipality’s council.

The accompanying financial statements present the Water Departments and its component units, entities for which the government is considered to be financially accountable. There are no component units for the Water Departments.

**Basis of Presentation – Government-Wide Financial Statements**

Separate government-wide and fund financial statements are not presented because the Water Departments only have business-type activities. The business-type activities incorporate data from the Water Departments’ enterprise funds. Financial statements are provided for proprietary funds.

**HILDALE/COLORADO CITY WATER DEPARTMENTS**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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**Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the Water Departments' funds. Statements for each fund category (i.e. proprietary) are presented. The emphasis of fund financial statements is on major enterprise funds. Major individual enterprise funds are reported as separate columns in the fund financial statements. The Departments' only fund is an enterprise fund.

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

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

**Measurement Focus and Basis of Accounting**

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

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

Proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

**Assets, Liabilities and Net Position**

***Cash and Cash Equivalents***

The Water Departments' 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.

**HILDALE/COLORADO CITY WATER DEPARTMENTS**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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***Investments***

The Water Departments' investment policy allows for the investment of funds in the state treasurer's pool and other investments as allowed by the State of Utah's Money Management Act. Investments for the Water Departments are reported at fair value (generally based on quoted market prices) with unrealized gains and losses recorded as adjustments to interest/investment earnings.

***Receivables***

Receivables consist primarily of accounts due for water services provided and related late penalties and interest. Management periodically reviews accounts receivable and writes off uncollectible accounts. The Water Departments' allowance for uncollectible accounts as of June 30, 2019 is \$133,826.

***Inventories***

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of system materials not placed in service.

***Capital Assets***

Capital assets in the proprietary funds are carried at cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Capital assets are defined by the Water Departments as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of two years. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	40 years
Office equipment	5-7 years
Automobiles and trucks	5 years
System equipment	5-7 years
Water system and improvements	25 years

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in change in net position for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

**HILDALE/COLORADO CITY WATER DEPARTMENTS**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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***Net Position Flow Assumption***

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

**Revenues and Expenses**

***Program Revenues***

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment.

***Personnel, Payroll and Compensated Absences***

The majority of Water Departments’ personnel are employed by the Town of Colorado City. The Water Departments reimburse Colorado City for wages, payroll taxes and benefits for these contracted employees. Some of the personnel are not full-time employees. Given that the majority of the Departments’ personnel are actually employed by Colorado City, accruals for compensated absences are based on Colorado City’s related policies.

***Proprietary Funds Operating and Nonoperating Revenues and Expenses***

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

**HILDALE/COLORADO CITY WATER DEPARTMENTS**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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**Budgets and Budgetary Accounting**

Annual budgets are prepared and adopted by each of the city councils on or before June 22 for the fiscal year commencing the following July 1, in accordance with state law. The operating budget includes proposed expenditures and the proposed sources of financing for such expenditures. Prior to June 22, a public hearing is conducted to obtain taxpayer input. Budgets are adopted and control of budget appropriations is exercised, under State law, at the department level. Budget amendments are required to increase expenditure budgets. The Water Departments' board adopts or ratifies, by resolution, the budgets passed by each city council. Budgets for the proprietary fund types are prepared using the accrual basis of accounting.

**Use of Estimates**

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

**Summarized Comparative Information**

Comparative total data for the prior fiscal year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Water Departments' financial position and operations. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Departments' financial statements for the year ended June 30, 2018, from which the summarized information was derived. Certain reclassifications have been made to the June 30, 2018 financial statement presentation to correspond to the current fiscal year's format. Equity and related changes in equity are unchanged due to these reclassifications.

**HILDALE/COLORADO CITY WATER DEPARTMENTS**  
**Notes to the Financial Statements**  
**June 30, 2019**

**NOTE 2. Deposits and Investments**

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The Water Departments follow the requirements of the Utah Money Management Act (*Utah code*, Section 51, chapter 7) in handling its depository and investment transactions. The Act requires the depositing of the Water Departments' funds in qualified depositories. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Water Departments participate in Hildale City's central treasury. As of June 30, 2019, the central treasury consists of the following:

State Treasurer's Investment Pool	\$ 2,393,292
Cash in bank	299,790
Less amounts to other HC and CC Joint Utilities/Hildale City	<u>(2,229,176)</u>
Total	<u>\$ 463,906</u>
 Equity in central treasury	 <u>\$ 463,906</u>

Cash and cash equivalents at June 30, 2019 are presented in the statement of net position as follows:

Cash and cash equivalents	\$ 259,303
Restricted cash*	204,603
Total	<u>\$ 463,906</u>

\*Restricted cash relates to customer deposits.

**Deposits**

*Custodial Credit Risk*

For deposits this is the risk that in the event of a bank failure, the government's deposit may not be returned to it. Hildale City does not have a formal policy for custodial credit risk. As of June 30, 2019, \$107,549 of Hildale City's central treasury's bank balance of \$370,316 was exposed to custodial credit risk because it was uninsured and uncollateralized.

**HILDALE/COLORADO CITY WATER DEPARTMENTS**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 2. Deposits and Investments, Continued**

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**Investments**

The Money Management Act defines the types of securities authorized as an appropriate investment for the Water Departments' and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

The Act authorizes investments in negotiable or nonnegotiable deposits of qualified depositories and permitted depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; the Utah Public Treasurer's Investment Fund; and reciprocal deposits subject to rules of the State Money Management Council.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953*, as amended. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gain or losses on investments. Financial statements for the PTIF funds can be obtained by contacting the Utah State Treasurer's office.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses – net of administration fees, of the PTIF are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

**HILDALE/COLORADO CITY WATER DEPARTMENTS**  
**Notes to the Financial Statements**  
**June 30, 2019**

**NOTE 2. Deposits and Investments, Continued**

As of June 30, 2019, Hildale City had the following investments, ratings and maturities:

Investment Type	Fair Value	Credit Rating (1)	Weighted Average Maturity (2)
State of Utah Public Treasurer's Investment Fund	\$2,393,292	N/A	47.67
Total Fair Value	<u>\$2,393,292</u>		

(1) Ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable.

(2) Interest rate risk is estimated using the weighted average days to maturity.

**Interest rate risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Water Departments' policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

**Credit risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Water Departments' policy for reducing exposure to credit risk is to comply with the State's Money Management Act.

**Fair value measurements**

As noted above, the Water Departments hold investments that are measured at fair value on a recurring basis. The Water Departments categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The State of Utah Public Treasurer's Investment Fund, as listed above, is valued using significant other observable inputs (Level 2 inputs).



**HILDALE/COLORADO CITY WATER DEPARTMENTS**  
**Notes to the Financial Statements**  
**June 30, 2019**

**NOTE 3. Capital Assets**

The following summarizes the changes to capital assets for the year ended June 30, 2019:

	<u>Balance 6/30/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2019</u>
Capital assets not being depreciated:				
Land	\$ 82,248	\$ -	\$ -	\$ 82,248
Water rights	358,333	-	-	358,333
Construction in progress	382,117	3,500	-	385,617
Total capital assets, not being depreciated	<u>822,698</u>	<u>3,500</u>	<u>-</u>	<u>826,198</u>
Capital assets being depreciated				
Buildings and improvements	6,468	-	-	6,468
Automobiles and trucks	109,215	-	-	109,215
Water system and improvements	1,747,553	-	-	1,747,553
Machinery and equipment	366,892	-	-	366,892
Total capital assets, being depreciated	<u>2,230,128</u>	<u>-</u>	<u>-</u>	<u>2,230,128</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,024)	(162)	-	(1,186)
Automobiles and trucks	(98,238)	(8,781)	-	(107,019)
Water system	(1,027,522)	(70,252)	-	(1,097,774)
Machinery and equipment	(338,502)	(17,867)	-	(356,369)
Total accumulated depreciation	<u>(1,465,286)</u>	<u>(97,062)</u>	<u>-</u>	<u>(1,562,348)</u>
Total capital assets, being depreciated, net	<u>764,842</u>	<u>(97,062)</u>	<u>-</u>	<u>667,780</u>
Total capital assets, net	<u>\$ 1,587,540</u>	<u>\$ (93,562)</u>	<u>\$ -</u>	<u>\$ 1,493,978</u>

**NOTE 4. Long-Term Liabilities**

The following summarizes the changes in long-term liabilities for the year ended June 30, 2019:

	<u>Balance 6/30/2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/2019</u>	<u>Current Portion</u>
Notes payable	\$ 283,207	\$ -	\$ 32,385	\$ 250,822	\$ 33,204
Compensated absences	3,524	929	-	4,453	1,781
Total long-term liabilities	<u>\$ 286,731</u>	<u>\$ 929</u>	<u>\$ 32,385</u>	<u>\$ 255,275</u>	<u>\$ 34,985</u>

**HILDALE/COLORADO CITY WATER DEPARTMENTS**  
**Notes to the Financial Statements**  
**June 30, 2019**

**NOTE 4. Long-Term Liabilities, Continued**

Long-term liabilities consist of the following at June 30, 2019:

Notes payable:

Note payable to Hildale City/Colorado City Gas Departments, bearing interest at 2.50 percent, due in monthly principal and interest installments of \$3,258, maturing June 25, 2026.	\$ 250,822
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Compensated absences	<u>4,453</u>
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Total long-term liabilities	255,275
Less current portion:	<u>(34,985)</u>
Net long-term liabilities	<u><u>\$ 220,290</u></u>

Notes payable debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2020	\$ 33,204	\$ 5,892
2021	34,043	5,053
2022	34,904	4,192
2023	35,787	3,309
2024	36,692	2,404
2025-2026	<u>76,192</u>	<u>2,000</u>
Total	<u><u>\$ 250,822</u></u>	<u><u>\$ 22,850</u></u>

The above note payable is a direct borrowing and does not include any specific terms relating to default.

**NOTE 5. Risk Management**

The Departments are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The Departments maintain insurance for the water systems through Hildale City and Colorado City's insurance policies. The majority of the employees are employed by Colorado City and covered by Colorado City's insurance policy.

**HILDALE/COLORADO CITY WATER DEPARTMENTS**  
**Notes to the Financial Statements**  
**June 30, 2019**

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**NOTE 6.        Commitments and Uncertainties**

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As of June 30, 2019, the Water Departments, along with Hildale City, Utah and the Town of Colorado City, Arizona (the Cities), through a settlement agreement, was in the process of acquiring certain assets of Twin City Water Works. The Cities agree to pay \$150,000 under the settlement agreement. As of June 30, 2019, there were some uncertainties, including pending legal matters, related to the settlement agreement, and the agreement, related pending uncertainties and asset transfer are expected to finalize in fiscal year 2020.

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**SUPPLEMENTARY INFORMATION**

**HILDALE/COLORADO CITY WATER DEPARTMENTS**  
**Intergovernmental Cooperative Agreement and Proportionate Shares**

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The Twin City Water Joint Management Operations and Maintenance Agreement or the Water Departments of Hildale/Colorado City (the Water Departments) was formed on February 22, 1997, by the Town of Colorado City, Arizona and Hildale City, Utah—the Town of Colorado City, Arizona, pursuant to the provisions of Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended (the “Arizona Joint Exercise of Powers Act”) and the City of Hildale, Utah, pursuant to the provisions of Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “Utah Interlocal Co-operation Act”) intend to enter into the “Inter-Governmental Agreement.” An updated intergovernmental cooperative agreement for utility systems management, operation and maintenance became effective in May 2014.

The Water Departments’ proportionate shares are based on the proportionate amount of water system customers and water usage for each of the municipalities. The proportionate shares as of and for the year ended June 30, 2019 are 35.00% for Hildale City and 65.00% for Colorado City, respectively, which is the same as the prior fiscal year. Any such change results in an allocation percentage adjustment and is shown on the schedule of revenues, expenses and changes in net position—proportionate shares, if applicable. **The following supplementary schedules include a schedule of net position and schedule of revenues, expenses and changes in net position presenting the proportionate shares of Hildale City and Colorado City.**

**HILDALE/COLORADO CITY WATER DEPARTMENTS**  
**Schedule of Net Position—Proportionate Shares**  
**June 30, 2019**

	35.00%	65.00%	100.00%
	<u>Hildale City</u>	<u>Colorado City</u>	<u>Total</u>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 90,756	\$ 168,547	\$ 259,303
Receivables, net of allowance	<u>43,832</u>	<u>81,402</u>	<u>125,234</u>
Total current assets	<u>134,588</u>	<u>249,949</u>	<u>384,537</u>
Non current assets:			
Restricted cash - deposits	71,611	132,992	204,603
Property and equipment	1,069,714	1,986,612	3,056,326
Accumulated depreciation	<u>(546,822)</u>	<u>(1,015,526)</u>	<u>(1,562,348)</u>
Total noncurrent assets	<u>594,503</u>	<u>1,104,078</u>	<u>1,698,581</u>
<b>Total assets</b>	<u>729,091</u>	<u>1,354,027</u>	<u>2,083,118</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	9,333	17,333	26,666
Customer deposits	71,611	132,992	204,603
Compensated absences	624	1,157	1,781
Notes payable - current portion	<u>11,621</u>	<u>21,583</u>	<u>33,204</u>
Total current liabilities	<u>93,189</u>	<u>173,065</u>	<u>266,254</u>
Non current liabilities:			
Compensated absences	935	1,737	2,672
Notes payable-net of current portion	<u>76,166</u>	<u>141,452</u>	<u>217,618</u>
Total non current liabilities	<u>77,101</u>	<u>143,189</u>	<u>220,290</u>
Total liabilities	<u>170,290</u>	<u>316,254</u>	<u>486,544</u>
<b>Net position</b>			
Net investment in capital assets	435,105	808,051	1,243,156
Unrestricted	<u>123,696</u>	<u>229,722</u>	<u>353,418</u>
<b>Total net position</b>	<u>\$ 558,801</u>	<u>\$ 1,037,773</u>	<u>\$ 1,596,574</u>

**HILDALE/COLORADO CITY WATER DEPARTMENTS**  
**Schedule of Revenues, Expenses and Changes in Net Position—Proportionate Shares**  
**For the Year Ended June 30, 2019**

	35.00%	65.00%	100.00%
	<u>Hildale City</u>	<u>Colorado City</u>	<u>Total</u>
<b>Operating revenues</b>			
Charges for services	\$ 234,481	\$ 435,465	\$ 669,946
Other revenues	8,173	15,177	23,350
Late charges and penalties	<u>11,295</u>	<u>20,976</u>	<u>32,271</u>
Total operating revenues	<u>253,949</u>	<u>471,618</u>	<u>725,567</u>
<b>Operating expenses</b>			
Personnel expenses	50,368	93,540	143,908
Office expenses and travel	2,831	5,258	8,089
Services, supplies and other	51,224	95,128	146,352
Utilities	23,040	42,788	65,828
Insurance	12,601	23,403	36,004
Professional fees (non-legal)	9,094	16,890	25,984
Legal expenses	329	612	941
Purchased water	24,218	44,975	69,193
Equipment rent	405	751	1,156
Administrative cost allocation	43,750	81,250	125,000
Depreciation/amortization	<u>33,972</u>	<u>63,090</u>	<u>97,062</u>
Total operating expenses	<u>251,832</u>	<u>467,685</u>	<u>719,517</u>
<b>Operating income (loss)</b>	<u>2,117</u>	<u>3,933</u>	<u>6,050</u>
<b>Nonoperating revenues (expenses)</b>			
Interest income	4,088	7,591	11,679
Impact fees	(4,137)	(7,683)	(11,820)
Other revenues	2,625	4,875	7,500
Interest expense and fiscal charges	<u>(2,349)</u>	<u>(4,362)</u>	<u>(6,711)</u>
Total nonoperating revenues (expense)	<u>227</u>	<u>421</u>	<u>648</u>
Income (loss) before capital contributions	2,344	4,354	6,698
Capital contributions	<u>3,927</u>	<u>7,293</u>	<u>11,220</u>
<b>Change in net position</b>	6,271	11,647	17,918
Total net position, beginning of year	<u>552,530</u>	<u>1,026,126</u>	<u>1,578,656</u>
<b>Total net position, end of year</b>	<u>\$ 558,801</u>	<u>\$ 1,037,773</u>	<u>\$ 1,596,574</u>



**OTHER COMMUNICATIONS FROM INDEPENDENT AUDITORS**

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**Independent Auditor's Report on Internal Control  
Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Executive Director and Members of the Board of  
Hildale/Colorado City Utility Systems

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of the Water Departments of Hildale/Colorado City (the Water Departments), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Water Departments' basic financial statements and have issued our report thereon dated January 6, 2020.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the schedule of findings and recommendations in the Hildale City's financial statements that we consider to be significant deficiencies.

- 2014-001. Misstatements and Reconciliations
- 2007-002. Capital and Other Assets—Accounting and Controls
- 2007-004. Segregation of Duties

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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



HintonBurdick, PLLC  
St. George, Utah  
January 6, 2020



## Findings and Recommendations

Executive Director and Members of the Board of  
Hildale/Colorado City Utility Systems

During our audit of the funds of the Water Departments of Hildale/Colorado City (the Water Departments) for fiscal year ended June 30, 2019, we noted a few areas that need corrective action in order to be in compliance with laws and regulations and we found a few circumstances that, if improved, would strengthen the Water Departments' accounting system and control over its assets.

Since the Water Departments' accounting system is fully integrated with Hildale City's accounting system, we have included all of our findings and recommendations in the Hildale City management letter which is made available to each participating governing body.

It has been a pleasure to be of service to the Water Departments this past year. We would like to express special thanks to all those who assisted us in this year's audit. We invite you to ask questions of us throughout the year as you feel it necessary and we look forward to a continued pleasant professional relationship.

Sincerely,

HintonBurdick, PLLC  
St. George, Utah  
January 6, 2020



**HINTONBURDICK**  
CPAs & ADVISORS

**HILDALE CITY**  
**Other Items Communicated to Management**  
**For the Year Ended June 30, 2019**

Management  
Hildale City, Utah

The following are findings and recommendations that have not been included with our finding and recommendations letter to the governing body since they include additional details of those findings, are only related to suggestions for improvements to accounting functions, and/or they may be deemed to be less significant and/or management is aware of the findings and are working on resolutions.

2019-001. Bank Reconciliations

The June 30, 2019 bank reconciliations for the Zions Revenue and Xpress Deposit accounts included incorrect outstanding items that related to offsetting differences in the cash clearing account. We also noted a reconciling difference (relatively immaterial) with the general ledger for the Zions Revenue account as of June 30, 2019.

Recommendation

We recommend the City follow its policies and procedures to prepare and review monthly bank reconciliations. The City's policies and procedures should ensure that the bank reconciliations are prepared timely and accurately. Such reconciliations of bank accounts provide important safeguards and controls to ensure the proper recording, deposit and disposition of the City's funds.

2019-002. Treasurer's Bond

The schedule in Utah Code R628-4-4 indicates the amount of bond or crime insurance a public treasure shall secure, which is based on budgeted gross revenue of the previous fiscal year. For fiscal year 2019, the bonded amount for the city treasurer was slightly below the required minimum amount.

Recommendation

We recommend the City establish procedures that will ensure the city treasurer is bonded for at least the state required minimum.

2018-001. Payroll Reporting and Documentation

The City could not locate copies of two of the quarterly payroll reports. It's uncertain if the payroll quarterly reports were timely filed.

### Recommendation

The City should ensure it has procedures in place that will allow payroll reports to be timely filed and properly maintained.

#### 2017-002. Accounts Receivable—Write Offs, Allowances and Contracts

It's our understanding that the City adopted a formal collection and write-off policy in April 2010. The policy mentions sending all accounts over 90 days to collections and that write-offs are considered separately and should be formally approved. The City continues to have an increasing number of accounts that are past due and some write-offs may have not been done in accordance with the City's policy. Furthermore, there appears to be some uncertainty surrounding the City's collection and write-off policy. The City has also established an allowance for uncollectible accounts, but there is not a formal policy regarding an allowance and how it relates to the collection and write-off policy.

We also noted that the City has some receivables on a contract basis (i.e. working with past due customers to establish a payment plan). It's our understanding that management discussed this relatively new process with the city council but there are no formal policy and procedures. Furthermore, with the personnel changes in fiscal year 2018, it appears there is increased uncertainty surrounding the contract receivable process and balances.

### Recommendation

It's our understanding that management and accounting staff are aware of these issues and are addressing them. We recommend the City revisit its collection and write-off policy and determine if changes or updates are needed. The write-off policy should ensure that write-offs are appropriately approved and documented and recorded in the correct period. The City should establish an allowance for uncollectible accounts policy in connection with its collection and write-off policy. The City should establish procedures to ensure that the City is following its policies.

We recommend the City either formalize its process for establishing contract receivables or eliminate the additional process and combine it with the regular accounts receivable process. The City should ensure that any contract receivables are being regularly monitored, tracked and reconciled.

#### 2017-003. Accounts Receivable—Accrual and Allocation of Penalties and Interest

The City allocates interest and penalties revenue from water, wastewater and solid waste accounts receivable balances only to the water fund.

It appears the City is continuing to accrue penalties and interest revenues on old, uncollectible accounts that are likely uncollectible. It may not make sense to continue to accrue penalties and interest revenues on uncollectible accounts.

Recommendation

Since the interest and penalties charged are based on outstanding accounts receivable balances, we recommend the related revenues be allocated to the funds based on the respective receivable balances.

The City should consider its policies and procedures over charges for penalties and interest and determine if such charges should be put on nonaccrual status (i.e. penalties and interest revenues no longer recognized) once certain criteria is met.

2014-002. Reconciliation of Subsidiary Schedules

The utility customer deposit report at June 30, 2019 did not reconcile with the related general ledger control accounts. The difference appears to primarily relate to prior years and using incorrect subsidiary reports. There has been some uncertainty as to which subsidiary schedules should be used.

Some of the utility accounts receivable balances are reconciled to the general ledger control accounts; however, at June 30, 2019 there were differences (relatively immaterial) between the accounts receivable by service report as compared to the respective general ledger accounts.

We've noted improvements in recent years in the reconciliation of accounts payable, and we expect continued improvement. However, we noted that the unpaid invoice report at June 30, 2019 did not fully reconcile to some of the general ledger accounts (accounts payable). We also noted several significant unrecorded liabilities as of June 30, 2019.

Recommendation

We recommend that the accounts receivable and customer deposits differences be addressed and that accounts receivable, accounts payable and customer deposits subsidiary ledgers be reconciled to the general ledger control accounts regularly and timely (i.e. monthly). We also recommend that any future differences be investigated and adjusted appropriately in order to facilitate future monthly reconciliations.

2010-001. Fraud Risk Management Program

The City has apparently not formally developed a fraud risk management program that is appropriate for the size and complexity of the City, including identifying fraud risks and taking appropriate action to reduce or eliminate risks.

Recommendation

We recommend that the City formally develop and adopt a fraud risk management program that is appropriate for the size and complexity of the City, including identifying fraud risks and taking appropriate action to reduce or eliminate the risks.



Sincerely,

*Hinton Burdick, PLLC*

HintonBurdick, PLLC

January 6, 2020



January 6, 2020

To the Honorable Mayor and City Council  
Hildale City, Utah

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hildale City (including the Hildale/Colorado City Water and Gas Departments) for the year ended June 30, 2019, and have issued our reports thereon dated January 6, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Hildale City are described in Note 1 to the financial statements. No new significant accounting policies were adopted and the application of existing policies was not changed during fiscal year 2019. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of depreciation expense/accumulated depreciation is based on the assigned depreciation lives of the capital assets. We evaluated the key factors and assumptions used to develop the depreciation expense/accumulated depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for uncollectible accounts is based on an analysis of the past due accounts and prior collection/write-off rates. We evaluated the key factors and assumptions used to develop the allowance for uncollectible accounts in determining that it is reasonable in relation to the financial statements taken as a whole.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. All of the significant misstatements detected as a result of audit procedures were corrected by management (management has a list of all audit adjustments proposed by us).

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 6, 2020.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

The findings and recommendations letter, dated January 6, 2020 accompanying the audited financial statements, includes the findings that we are required to communicate to you.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to the management's discussion and analysis and budgetary comparison information, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on certain supplementary information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on certain other information, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

### Restriction on Use

This information is intended solely for the use of the city council and management of Hildale City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



HintonBurdick, PLLC



**To:** Hildale City Council and Mayor  
**From:** Christian Kesselring, Acting Hildale City Manager  
**Date:** January 8, 2020  
**Subject:** City Manager's Report

HAPPY NEW YEAR 2020!

### **City Finance**

With the fiscal year half over, administration is now starting work on preparing next year's budget. These efforts are still quite preliminary, but you can expect to hear more as they progress.

Staff is in the process of preparing an application for a CDBG grant of over \$100,000, with which we hope to expand the scope of the 2020-2021 Canyon Street project also being funded by UDOT through the Safe Routes to Schools grant program. The application is due by the end of January, and we will hear back sometime in the spring.

### **Planning and Zoning**

The only action item coming up to the Council from the Planning Commission for consideration this month is a preliminary plat application for a small planned development. We greatly appreciate the Council having the special meeting last month to pass a significant rezone that is allowing another project to go forward.

On January 2, 2020, Director Kyle Layton held a public input session to allow residents the opportunity to have some input on the off-site improvements issue. Turnout was excellent, and there was substantial discussion. The planning process on this will continue moving forward in the coming months, and you are encouraged to remain engaged throughout this period of intensive study.

Now that the City has purchased a license to self-publish our ordinances through Municode, the land use ordinance passed in late 2018 will soon be published online as part of our code. This

is a significant step, as it will make our regulations much more accessible to members of the public.

### **Building**

The Building Department continues to report much higher building permit activity and revenues than anticipated. The new permit management software, City Inspect, will be implemented over the next few months.

### **Parks**

The Parks Department has continued important off-season projects. We are in need of some larger procurements and park improvements, but they are waiting both on BLM approval of Hildale's lease and on the availability of funding. We anticipate the Council's work on forming a Parks & Recreation Committee will be transformational in terms of what we are able to accomplish.

### **Police**

The Dispatch Center in Colorado City is working to obtain funding to upgrade their systems to comply with new national standards. One great improvement will be text to 911, which they anticipate bringing online in the near future.

### **Public Works**

While not in Hildale, you should be aware that the Public Work Department is currently cooperating with Garkane Energy to replace a number of the trees that line the public streets. Some of these have been causing issues with high voltage power lines – others have just created general public safety issues. Substantial planning has gone into ensuring that the trees are replaced with more ideal species, which in the long run will be easier to maintain and will present a better appearance.

### **Injunction Compliance**

The cities held a Fair Housing training in Colorado City on December 16, and due to a miscommunication the announcement of the in-person training did not reach most council and board members. If you have not already, please watch the video and turn in your affidavit, as full participation is crucial to injunction compliance.

## **Industrial Park**

Last month, we closed the sale of Lot 31 to Preferred Parts.

The remaining tenants in the industrial park were mailed letters informing them of possible violations of their lease terms. Other than Catalyst Construction (discussed below), none of the other tenants have responded or taken corrective action.

A question had arisen about the status of the Catalyst Construction lease on Lot 31. Catalyst had apparently dissolved, and the building was being managed by a third party – Air Doctor Solutions. Thankfully the owner cooperated thoroughly with city staff in correcting the problem. They filed all of the necessary paperwork to complete and document a merger between Catalyst Construction and Air Doctor Solutions. Because legally Air Doctor Solutions has now replaced Catalyst Construction and filed a DBA with that name, Hildale City can continue dealing with them under the lease without any need for further changes.

## **Community Outreach**

The community coalition continues to progress. We have offered the coalition the use of some space in the City's Mulberry Street building, and in exchange they are bringing together resources to make improvements and partially furnish the building.

## **Utilities**

Negotiations of the master fiber agreement for access to Hildale City's fiber network are still ongoing. It has been taking longer than anticipated as we continue working out the rate tables that ISP's will pay on.

## **Closing**

As the City moves into a new year and a new decade, we all have much to be proud of, but there is yet more work to be done. We have some fantastic employees working to keep things running, but it is your leadership that makes it all possible. Thank you for all that you do!



**HILDALE CITY**

Established 1963

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FINANCIAL REPORT: REVENUES WITH COMPARISON TO BUDGET FOR THE GENERAL FUND  
For the Month ending February 29, 2020  
67% of the year elapsed



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**FINANCIAL REPORT: REVENUES WITH COMPARISON TO BUDGET FOR THE GENERAL FUND**  
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**GENERAL FUND SUMMARY**

- ▶ General Fund Revenues are at 33.9% of budgeted expectation.
- ▶ General Fund Expenditures are at 21.9% of budgeted expectation.
- ▶ General Fund Balance revenues over expenditures is at \$277,509.64.

General Fund Expenditures which are set aside as Reserve Funds comes to \$0.00. This includes amounts set aside in Departmental R&R Reserves, amounts set aside in Fund Balance Reserves, and the Industrial Park Reserve.

SUMMARY REPORT	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
TOTAL GENERAL FUND REVENUE	6,157.26	769,564.19	2,269,000.00	1,499,435.81	33.9
TOTAL GENERAL FUND EXPENSE	-	492,054.55	2,244,000.00	1,751,945.45	21.9
DIFFERENCE	6,157.26	277,509.64	25,000.00	(252,509.64)	1110.0%





# HILDALE CITY

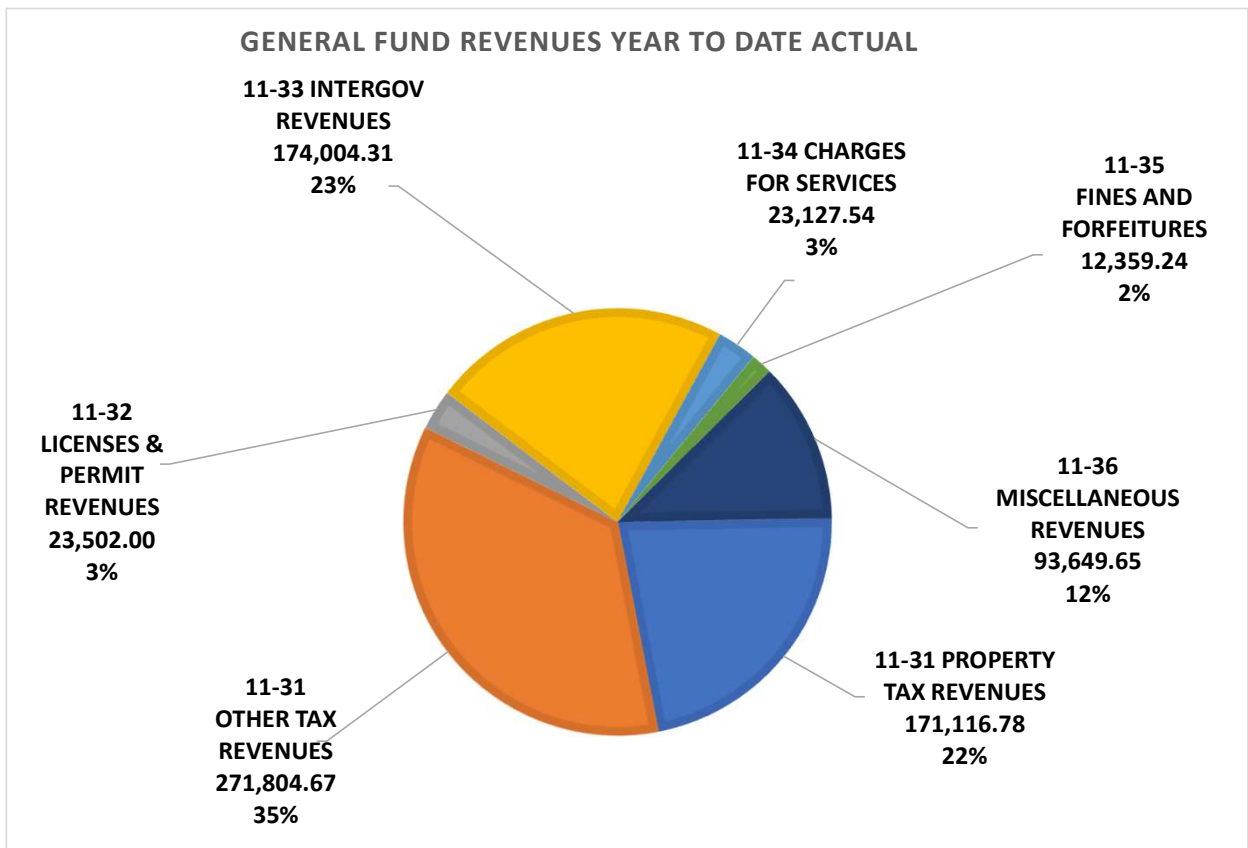
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GENERAL FUND REVENUES OVERVIEW:

SUMMARY REPORT - REVENUES	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
TAXES	5,282.26	442,921.45	684,880.00	241,958.55	64.7
LICENSE AND PERMITS	240.00	23,502.00	14,000.00	(9,502.00)	167.9
INTERGOV REVENUE	-	174,004.31	477,500.00	303,495.69	36.4
CHARGES FOR SERVICES	-	23,127.54	115,800.00	92,672.46	20.0
FINES AND FORFEITURES	635.00	12,359.24	10,000.00	(2,359.24)	123.6
MISC. REVENUE	-	93,649.65	238,100.00	144,450.35	39.3
CONTRIBUTIONS AND TRANSFERS	-	-	728,720.00	728,720.00	-
<b>TOTAL GENERAL FUND REVENUE</b>	<b>6,157.26</b>	<b>769,564.19</b>	<b>2,269,000.00</b>	<b>1,499,435.81</b>	<b>33.9</b>





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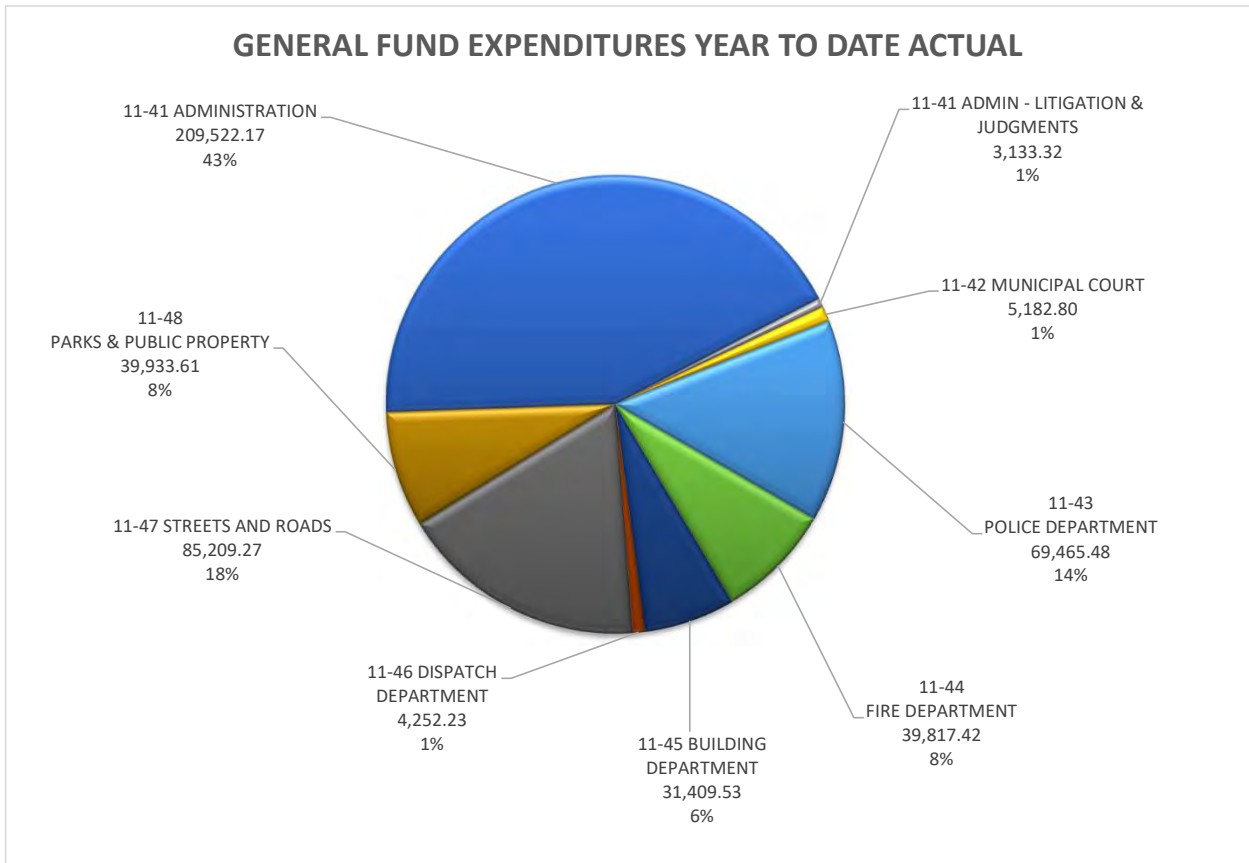
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**FINANCIAL REPORT: REVENUES WITH COMPARISON TO BUDGET FOR THE GENERAL FUND**  
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**GENERAL FUND EXPENDITURES OVERVIEW:**

SUMMARY REPORT - EXPENDITURES	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
GENERAL FUND ADMIN	-	212,655.49	486,600.00	273,944.51	43.7
MUNICIPAL COURT	-	5,182.80	16,900.00	11,717.20	30.7
POLICE DEPARTMENT	-	69,465.48	268,600.00	199,134.52	25.9
FIRE DEPARTMENT	-	39,817.42	343,100.00	303,282.58	11.6
PLANNING & BUILDING	-	31,409.53	124,800.00	93,390.47	25.2
DISPATCH DEPARTMENT	-	4,252.23	15,600.00	11,347.77	27.3
PUBLIC WORKS - STREETS & ROADS	-	85,209.27	745,400.00	660,190.73	11.4
PUBLIC WORKS - PARKS	-	39,933.61	168,200.00	128,266.39	23.7
COMMUNITY OUTREACH	-	4,128.72	74,800.00	70,671.28	0.06
<b>TOTAL GENERAL FUND EXPENDITURES</b>	-	<b>492,054.55</b>	<b>2,244,000.00</b>	<b>1,751,945.45</b>	<b>21.9</b>





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<b>TAX REVENUE</b>		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
11-31-100	PROPERTY TAX - CURRENT YEAR	-	122,655.79	95,980.00	(26,675.79)	127.8
11-31-200	PROP TAX - DELINQUENT PR YR	-	48,460.99	134,700.00	86,239.01	36.0
11-31-300	GENERAL SALES & USE TAX	-	189,098.33	269,700.00	80,601.67	70.1
11-31-301	RAP TAX	2,967.17	25,437.48	33,200.00	7,762.52	76.6
11-31-401	ENERGY & USE TAX	2,315.09	40,002.14	93,200.00	53,197.86	42.9
11-31-402	TELECOM LICENSE TAX	-	2,724.06	9,300.00	6,575.94	29.3
11-31-403	TRANSIENT ROOM TAX	-	1,348.32	1,000.00	(348.32)	134.8
11-31-410	EMERGENCY 9-1-1 TAX	-	-	-	-	
11-31-700	FEE-IN-LIEU TX - PERSONAL PROP	-	11,047.02	39,900.00	28,852.98	27.7
11-31-900	PNLTY & INT ON DELINQ TAXES	-	2,147.32	7,900.00	5,752.68	27.2
	<b>TOTAL TAX REVENUE</b>	<b>5,282.26</b>	<b>442,921.45</b>	<b>684,880.00</b>	<b>241,958.55</b>	<b>64.7</b>

<b>LICENSES AND PERMITS</b>		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
11-32-100	BUSINESS LICENSE FEES	200.00	1,340.00	2,000.00	660.00	67.0
11-32-200	BUILDING PERMITS	40.00	17,347.00	12,000.00	(5,347.00)	144.6
11-32-300	LAND USE FEE'S	-	4,815.00	-	(4,815.00)	
	<b>TOTAL LICENSES AND PERMITS</b>	<b>240.00</b>	<b>23,502.00</b>	<b>14,000.00</b>	<b>(9,502.00)</b>	<b>167.9</b>

<b>INTERGOVERNMENTAL REVENUE</b>		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
11-33-421	FD ASSISTANCE GRANT	-	-	1,000.00	1,000.00	-
11-33-433	UDOT SAFE ROUTES TO SCHOOL GRA	-	86,520.10	180,000.00	93,479.90	48.1
11-33-434	2020 UDOT SRTS	-	-	180,000.00	180,000.00	-
11-33-472	FLOOD MITIGATION LOAN- CIB	-	-	-	-	
11-33-560	CLASS "C" ROAD FUND	-	87,484.21	106,500.00	19,015.79	82.1
11-33-581	COUNTY TOURISM GRANT	-	-	10,000.00	10,000.00	-
	<b>TOTAL INTERGOVERNMENTAL REVENUE</b>	<b>-</b>	<b>174,004.31</b>	<b>477,500.00</b>	<b>303,495.69</b>	<b>36.4</b>

<b>CHARGES FOR SERVICES</b>		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
11-34-120	GRAMA, COPYING, ETC.	-	18.10	200.00	181.90	9.1
11-34-130	ZONING & SUBDIVISION FEES	-	-	3,000.00	3,000.00	-
11-34-131	LAND SALES FEES	-	-	-	-	
11-34-191	TAX COLLECTION FEES - UT	-	-	100.00	100.00	-
11-34-192	TAX COLLECTION FEES - AZ	-	-	100.00	100.00	-
11-34-250	FIRE DEPT SERVICES	-	-	50,000.00	50,000.00	-
11-34-910	SOLID WASTE- AZ STRIP LANDFILL	-	11,900.00	20,400.00	8,500.00	58.3
11-34-911	UEP COTTONWOOD PARK MAINTENANC	-	11,209.44	36,000.00	24,790.56	31.1
11-34-912	FIBER RELATED REVENUES	-	-	6,000.00	6,000.00	-
	<b>TOTAL CHARGES FOR SERVICES</b>	<b>-</b>	<b>23,127.54</b>	<b>115,800.00</b>	<b>92,672.46</b>	<b>20.0</b>



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<b>FINES AND FORFEITURES</b>		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
11-35-110	COURT FINES	635.00	12,359.24	9,400.00	(2,959.24)	131.5
11-35-210	BAIL AND BOND FORFEITURE	-	-	600.00	600.00	-
	<b>TOTAL FINES AND FORFEITURES</b>	<b>635.00</b>	<b>12,359.24</b>	<b>10,000.00</b>	<b>(2,359.24)</b>	<b>123.6</b>
<b>MISCELLANEOUS REVENUE</b>		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
11-36-100	INTEREST EARNINGS - GEN FUND	-	7,956.76	6,800.00	(1,156.76)	117.0
11-36-210	RENTAL - OFFICES IN CITY BLDG	-	-	11,700.00	11,700.00	-
11-36-600	SUNDRY REVENUES	-	75.68	-	(75.68)	-
11-36-800	LOT LEASES	-	26,148.65	66,600.00	40,451.35	39.3
11-36-810	LAND SALES - INDUSTRIAL PARK	-	32,600.00	32,000.00	(600.00)	101.9
11-36-910	SUNDRY REV - GEN FUND	-	1,868.56	11,000.00	9,131.44	17.0
11-36-911	CCFD EQUIPMENT REVENUE	-	25,000.00	60,000.00	35,000.00	41.7
11-36-920	SUNDRY REV - FIRE DEPT	-	-	50,000.00	50,000.00	-
	<b>TOTAL MISCELLANEOUS REVENUE</b>	<b>-</b>	<b>93,649.65</b>	<b>238,100.00</b>	<b>144,450.35</b>	<b>39.3</b>
<b>CONTRIBUTIONS AND TRANSFERS</b>		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
11-38-101	TRANSFERS FROM OTHER FUNDS	-	-	-	-	-
11-38-701	Hildale City Community Outreac	-	-	3,000.00	3,000.00	-
11-38-702	CONTRIBUTIONS-COMMUNITY OUTREA	-	-	4,600.00	4,600.00	-
11-38-910	APPROP - GEN FUND BALANCE	-	-	100,000.00	100,000.00	-
11-38-920	APPROP - CAPITAL PROJECTS	-	-	496,120.00	496,120.00	-
11-38-913	APPROP - LIQUOR FUND FROM PY	-	-	-	-	-
11-38-914	APPROP - GEN FUND BAL - F DEPT	-	-	-	-	-
11-38-927	APPROP - 2015 FLOOD GRANT PROJ	-	-	-	-	-
11-38-928	CONTINGENCY	-	-	125,000.00	125,000.00	-
	<b>TOTAL CONTRIBUTIONS AND TRANSFERS</b>	<b>-</b>	<b>-</b>	<b>728,720.00</b>	<b>728,720.00</b>	<b>-</b>
	<b>TOTAL GENERAL FUND REVENUES</b>	<b>6,157.26</b>	<b>769,564.19</b>	<b>2,269,000.00</b>	<b>1,499,435.81</b>	<b>33.9</b>



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**FINANCIAL REPORT: REVENUES WITH COMPARISON TO BUDGET FOR THE GENERAL FUND**  
 For the Month ending February 29, 2020  
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**GENERAL FUND ADMINISTRATION**

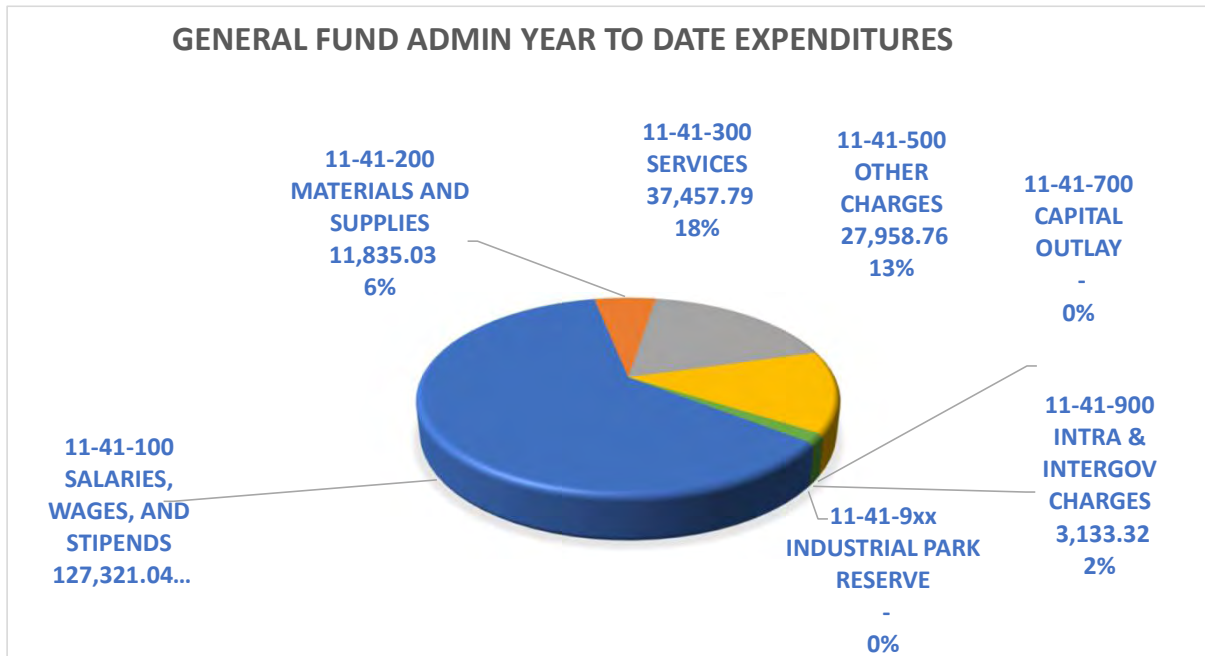
**GENERAL FUND ADMIN REVENUES**

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
11-34-131 LAND SALES FEES	-	-	-	-	
11-34-910 SOLID WASTE- AZ STRIP LANDFILL	-	11,900.00	20,400.00	8,500.00	58.3
11-34-191 TAX COLLECTION FEES - UT	-	-	100.00	100.00	-
11-34-192 TAX COLLECTION FEES - AZ	-	-	100.00	100.00	-
11-36-810 LAND SALES - INDUSTRIAL PARK	-	32,600.00	32,000.00	(600.00)	101.9
11-38-101 TRANSFERS FROM OTHER FUNDS	-	-	-	-	
11-xx-xxx GEN FUND ADMIN REVENUES 35.6%	908.86	167,286.11	268,400.00	101,121.79	62.3
<b>TOTAL GENERAL FUND ADMIN REVENUES</b>	<b>908.86</b>	<b>211,786.11</b>	<b>321,000.00</b>	<b>109,221.79</b>	<b>66.0</b>

**GENERAL FUND ADMIN EXPENDITURES**

	PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
11-41-971 RESTRICTED INDUST PARK RESERVE	-	-	-	-	
OTHER ADMIN EXPENSES	-	212,655.49	486,600.00	273,944.51	43.7
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>-</b>	<b>212,655.49</b>	<b>486,600.00</b>	<b>273,944.51</b>	<b>43.7</b>
<b>DIFFERENCE</b>	<b>908.86</b>	<b>(869.38)</b>	<b>(165,600.00)</b>	<b>(164,722.72)</b>	

**GENERAL FUND ADMIN YEAR TO DATE EXPENDITURES**





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**GENERAL FUND ADMINISTRATION (Continued)**

- ▶ General Fund Administration revenues are at 66% of budgeted expectation.
- ▶ General Fund Administration expenditures are at 43.7% of budgeted expectation.
- ▶ General Fund Administration balance revenues over expenditures is at (\$869.38).

GEN GOVT ADMINISTRATION		PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
11-41-111	SECRETARIAL STAFF	-	370.66	40,000.00	39,629.34	0.9%
11-41-112	MAYOR	-	12,750.00	21,000.00	8,250.00	60.7%
11-41-113	MANAGER	-	19,475.61	27,000.00	7,524.39	72.1%
11-41-114	TREASURER	-	-	10,000.00	10,000.00	0.0%
11-41-115	RECORDER	-	10,493.75	14,000.00	3,506.25	75.0%
11-41-116	COMMUNITY DEVELOPMENT	-	-	-	-	
11-41-117	ATTORNEY	-	57,692.25	40,000.00	(17,692.25)	144.2%
11-41-118	SALARIES - IT	-	-	-	-	
11-41-120	SALARIES-TEMPORARY EMPLOYEES	-	-	-	-	
11-41-130	PAYROLL TAXES	-	9,755.85	23,000.00	13,244.15	42.4%
11-41-140	BENEFITS-OTHER	-	8,172.92	-	(8,172.92)	
11-41-151	STIPENDS - CITY COUNCIL	-	5,880.00	5,000.00	(880.00)	117.6%
11-41-152	STIPENDS - PLANNING COMMISSION	-	2,730.00	5,000.00	2,270.00	54.6%
11-41-153	STIPENDS - ADJUSTMENTS BOARD	-	-	500.00	500.00	0.0%
11-41-210	BOOKS, SUBSCR, & MEMBERSHIPS	-	276.79	500.00	223.21	55.4%
11-41-220	PUBLIC NOTICES	-	-	1,000.00	1,000.00	0.0%
11-41-230	TRAVEL	-	531.81	3,000.00	2,468.19	17.7%
11-41-235	FOOD & REFRESHMENT	-	397.45	1,500.00	1,102.55	26.5%
11-41-240	OFFICE EXPENSE & SUPPLIES	-	794.25	2,000.00	1,205.75	39.7%
11-41-241	COPIER & PRINTER	-	794.13	2,000.00	1,205.87	39.7%
11-41-242	SERVICE FEES	-	-	-	-	
11-41-244	PRINT & POSTAGE	-	1,748.60	1,000.00	(748.60)	174.9%
11-41-250	EQUIPMENT SUPPLIES & MAINT	-	78.74	500.00	421.26	15.7%
11-41-257	FUEL	-	1,084.22	2,000.00	915.78	54.2%
11-41-260	TOOLS & EQUIPMENT-NON CAPITAL	-	-	1,000.00	1,000.00	0.0%
11-41-271	MAINT & SUPPLY - BUILDING	-	637.63	2,800.00	2,162.37	22.8%
11-41-272	MAINT & SUPPLY - IT	-	(16.20)	1,000.00	1,016.20	-1.6%
11-41-280	UTILITIES	-	2,090.57	5,000.00	2,909.43	41.8%
11-41-285	POWER	-	2,070.26	2,000.00	(70.26)	103.5%
11-41-287	TELEPHONE	-	1,346.78	2,000.00	653.22	67.3%
11-41-310	PROFESSIONAL & TECHNICAL	-	5,794.58	16,200.00	10,405.42	35.8%
11-41-311	ENGINEER	-	-	3,500.00	3,500.00	0.0%
11-41-313	AUDITOR	-	11,500.00	30,600.00	19,100.00	37.6%
11-41-315	INFORMATION TECHNOLOGY - SYSTE	-	9,540.08	-	(9,540.08)	
11-41-316	INFORMATION TECHNOLOGY - SERVI	-	804.53	-	(804.53)	





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## FINANCIAL REPORT: REVENUES WITH COMPARISON TO BUDGET FOR THE GENERAL FUND

For the Month ending February 29, 2020

67% of the year elapsed

11-41-317	INFORMATION TECHNOLOGY - CONS	-	1,627.44	5,100.00	3,472.56	31.9%
11-41-318	INFORMATION TECHNOLOGY - SOFTW	-	6,439.16	-	(6,439.16)	
11-41-319	CONTINGENCY	-	-	100,000.00	100,000.00	0.0%
11-41-330	EDUCATION	-	1,752.00	10,000.00	8,248.00	17.5%
11-41-350	ELECTIONS	-	664.61	-	(664.61)	
11-41-510	INSURANCE	-	27,297.58	30,500.00	3,202.42	89.5%
11-41-521	CREDIT CARD EXPENSE	-	661.18	-	(661.18)	
11-41-720	BUILDINGS	-	-	-	-	
11-41-741	EQUIPMENT - OFFICE	-	-	5,000.00	5,000.00	0.0%
11-41-743	EQUIPMENT - VEHICLE	-	260.00	3,000.00	2,740.00	8.7%
11-41-744	MAINTENANCE & OPERATION LOT 38	-	-	-	-	
11-41-745	MAINT & SUPPLY FIBER SYSTEM	-	-	-	-	
11-41-900	CASH SHORT & OVER	-	-	-	-	
11-41-914	TRANSFER TO FUND 63	-	4,024.94	40,000.00	35,975.06	10.1%
11-41-916	TRANSFER TO FUND 64	-	3,133.32	17,900.00	14,766.68	17.5%
11-41-960	TRANSFER TO FUND 45 CAP PROJ	-	-	12,000.00	12,000.00	0.0%
	<b>TOTAL GEN GOVT ADMINISTRATION</b>	<b>0.00</b>	<b>212,655.49</b>	<b>486,600.00</b>	<b>273,944.51</b>	<b>43.7%</b>



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 For the Month ending February 29, 2020  
 67% of the year elapsed

**Municipal Court**

- ▶ Municipal Court revenues are at 88.1% of budgeted expectation.
- ▶ Municipal Court expenditures are at 30.7% of budgeted expectation.
- ▶ Municipal Court year-to-date balance revenues over expenditures is at \$8,382.71.

**MUNICIPAL COURT SUMMARY**

	PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEARNED	PCNT
11-35-110 COURT FINES 61%	387.35	7,539.14	5,734.00	(1,805.14)	131.5
11-xx-xxx OTHER REVENUES 1.3%	32.74	6,026.38	9,669.23	3,642.85	62.3
<b>TOTAL MUNICIPAL COURT REVENUES</b>	<b>420.09</b>	<b>13,565.51</b>	<b>15,403.23</b>	<b>1,837.71</b>	<b>88.1</b>

	PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
MUNICIPAL COURT EXPENSES	-	5,182.80	16,900.00	11,717.20	30.7
<b>DIFFERENCE</b>	<b>420.09</b>	<b>8,382.71</b>	<b>(1,496.77)</b>	<b>(9,879.49)</b>	

**MUNICIPAL COURT EXPENDITURES**

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
11-42-110 SALARIES-PERMANENT EMPLOYEES	-	4,326.90	11,300.00	6,973.10	38.3%
11-42-130 PAYROLL TAXES & BENEFITS	-	330.90	900.00	569.10	36.8%
11-42-140 BENEFITS-OTHER	-	-	300.00	300.00	0.0%
11-42-210 BOOKS, SUBSCR, & MEMBERSHIPS	-	-	100.00	100.00	0.0%
11-42-230 TRAVEL	-	-	600.00	600.00	0.0%
11-42-310 PROFESSIONAL & TECHNICAL	-	525.00	-	(525.00)	
11-42-330 EDUCATION	-	-	400.00	400.00	0.0%
11-42-550 FINES, SURCHARGES - AOC	-	-	3,000.00	3,000.00	0.0%
11-42-960 TRANSFER TO FUND 45 CAP PROJ	-	-	300.00	300.00	0.0%
<b>TOTAL MUNICIPAL COURT EXPENDITURES</b>	<b>0.00</b>	<b>5,182.80</b>	<b>16,900.00</b>	<b>11,717.20</b>	<b>30.7%</b>





# HILDALE CITY Established 1963

P.O. BOX 840490 320 E. NEWEL AVE. HILDALE, UTAH 84784 PHONE: 435-874-2323 FAX: 435-874-2603

**FINANCIAL REPORT: REVENUES WITH COMPARISON TO BUDGET FOR THE GENERAL FUND**  
 For the Month ending February 29, 2020  
 67% of the year elapsed

**Police Department**

- ▶ Police Department revenues are at 62.7% of budgeted expectation.
- ▶ Police Department expenditures are at 25.9% of budgeted expectation.
- ▶ Police Department balance revenues over expenditures is at \$30,483.27.

<b>POLICE DEPARTMENT SUMMARY</b>		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
11-33-431	POLICE BEMS GRANT	-	-	-	-	
11-33-580	LIQUOR FUND ALLOTMENT	-	-	-	-	
11-31-xxx	TAX REVENUES 5%	115.75	20,874.20	32,600.00	11,709.80	64.0
11-xx-xxx	POLICE DEPT REVENUES 17%	429.61	79,074.55	126,873.86	47,799.31	62.3
	<b>TOTAL POLICE DEPT REVENUES</b>	<b>545.36</b>	<b>99,948.75</b>	<b>159,473.86</b>	<b>59,509.11</b>	<b>62.7</b>
		PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
	<b>TOTAL POLICE DEPT EXPENDITURES</b>	<b>-</b>	<b>69,465.48</b>	<b>268,600.00</b>	<b>199,134.52</b>	<b>25.9</b>
	<b>DIFFERENCE</b>	<b>545.36</b>	<b>30,483.27</b>	<b>(109,126.14)</b>	<b>(139,625.41)</b>	
11-43-110	SALARIES-PERMANENT EMPLOYEES	-	-	-	-	
11-43-140	BENEFITS-OTHER	-	-	1,600.00	1,600.00	0.0%
11-43-287	TELEPHONE	-	2,730.43	2,000.00	(730.43)	136.5%
11-43-310	PROFESSIONAL & TECHNICAL	-	12,104.20	10,000.00	(2,104.20)	121.0%
11-43-315	LEGAL - GENERAL	-	-	-	-	
11-43-743	EQUIPMENT - VEHICLE	-	-	-	-	
11-43-810	POLICE DEPT GRANT TRANSFER	-	-	-	-	
11-43-820	LIQUOR FUND ALLOTMENT TRANSFER	-	-	-	-	
11-43-960	TRANSFER TO FUND 45 CAP PROJ	-	-	25,000.00	25,000.00	0.0%
11-43-980	INTRA-GOVT CHARGES	-	54,630.85	230,000.00	175,369.15	23.8%
	<b>TOTAL POLICE DEPT EXPENDITURES</b>	<b>0.00</b>	<b>69,465.48</b>	<b>268,600.00</b>	<b>199,134.52</b>	<b>25.9%</b>



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**FINANCIAL REPORT: REVENUES WITH COMPARISON TO BUDGET FOR THE GENERAL FUND**  
 For the Month ending February 29, 2020  
 67% of the year elapsed

**Fire Department**

- ▶ Fire Department revenues are at 40.1% of budgeted expectation.
- ▶ Fire Department expenditures are at 11.6% of budgeted expectation.
- ▶ Fire Department balance revenues over expenditures is at \$55,111.89.

<b>FIRE DEPARTMENT REVENUES</b>		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
11-33-411	FD BEMS GRANT	-	-	-	-	
11-33-421	FD ASSISTANCE GRANT	-	-	1,000.00	1,000.00	-
11-36-911	CCFD EQUIPMENT REVENUE	-	25,000.00	60,000.00	35,000.00	41.7
11-36-920	SUNDRY REV - FIRE DEPT	-	-	50,000.00	50,000.00	-
11-38-910	APPROP - GEN FUND BALANCE	-	-	13,509.58	13,509.58	-
11-xx-xxx	FIRE DEPT REVENUES 15%	379.92	69,929.31	112,200.47	42,271.16	62.3
	<b>TOTAL POLICE DEPT REVENUES</b>	<b>379.92</b>	<b>94,929.31</b>	<b>236,710.05</b>	<b>141,780.74</b>	<b>40.1</b>

<b>FIRE DEPT EXPENDITURES</b>		PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
	FIRE DEPT EXPENDITURES	-	39,817.42	343,100.00	303,282.58	11.6
	<b>TOTAL FIRE DEPT EXPENDITURES</b>	<b>-</b>	<b>39,817.42</b>	<b>343,100.00</b>	<b>303,282.58</b>	<b>11.6</b>

<b>DIFFERENCE</b>	<b>379.92</b>	<b>55,111.89</b>	<b>(106,389.95)</b>	<b>(161,501.84)</b>
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<b>FIRE DEPARTMENT</b>		PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
11-44-510	INSURANCE	-	359.16	800.00	440.84	44.9%
11-44-620	MISC. SERVICES	-	-	50,000.00	50,000.00	0.0%
11-44-850	DEBT SERVICE - VEHICLE & EQUIP	-	-	110,000.00	110,000.00	0.0%
11-44-952	STATE GRANT OFFSET	-	12,458.26	-	(12,458.26)	
11-44-960	TRANSFER TO FUND 45 CAP PROJ	-	-	92,300.00	92,300.00	0.0%
11-44-980	INTRA-GOVT CHARGES	-	27,000.00	90,000.00	63,000.00	30.0%
	<b>TOTAL FIRE DEPARTMENT</b>	<b>-</b>	<b>39,817.42</b>	<b>343,100.00</b>	<b>303,282.58</b>	<b>11.6%</b>



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**FINANCIAL REPORT: REVENUES WITH COMPARISON TO BUDGET FOR THE GENERAL FUND**  
 For the Month ending February 29, 2020  
 67% of the year elapsed

**Building Department**

- ▶ Building Department revenues are at 62.3% of budgeted expectation.
- ▶ Building Department expenditures are at 25.2% of budgeted expectation.
- ▶ Building Department balance revenues over expenditures is at (\$6,864.63).

**BUILDING DEPARTMENT SUMMARY**

	PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
BUILDING DEPT REVENUES 5%	133.35	24,544.90	39,381.90	14,837.00	62.3
BUILDING DEPT EXPENSES	-	31,409.53	124,800.00	93,390.47	25.2
<b>DIFFERENCE</b>	<b>133.35</b>	<b>(6,864.63)</b>	<b>(85,418.10)</b>	<b>(78,553.47)</b>	

**BUILDING DEPARTMENT**

	PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
11-45-110 SALARIES-PERMANENT EMPLOYEES	-	29,801.78	40,000.00	10,198.22	74.5%
11-45-130 PAYROLL TAXES	-	-	4,000.00	4,000.00	0.0%
11-45-140 BENEFITS-OTHER	-	-	14,000.00	14,000.00	0.0%
11-45-210 BOOKS, SUBSCR, & MEMBERSHIPS	-	-	300.00	300.00	0.0%
11-45-250 EQUIPMENT SUPPLIES & MAINT	-	-	1,900.00	1,900.00	0.0%
11-45-311 ENGINEER	-	1,293.75	-	(1,293.75)	
11-45-330 EDUCATION	-	314.00	2,100.00	1,786.00	15.0%
11-45-550 SURCHARGES FOR BLDG PERMITS	-	-	100.00	100.00	0.0%
11-45-960 TRANSFER TO FUND 45 CAP PROJ	-	-	62,400.00	62,400.00	0.0%
<b>TOTAL BUILDING DEPARTMENT</b>	<b>-</b>	<b>31,409.53</b>	<b>124,800.00</b>	<b>93,390.47</b>	<b>25.2%</b>



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FINANCIAL REPORT: REVENUES WITH COMPARISON TO BUDGET FOR THE GENERAL FUND  
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### Public Safety Dispatch Department

- ▶ Dispatch Department revenues are at 63.4% of budgeted expectation.
- ▶ Dispatch Department expenditures are at 27.3% of budgeted expectation.
- ▶ Dispatch Department balance revenues over expenditures is at \$2,872.73.

<b>DISPATCH DEPARTMENT SUMMARY</b>		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
11-31-xxx	TAX REVENUES 1%	23.15	4,174.84	6,500.00	2,341.96	64.2
11-31-410	EMERGENCY 9-1-1 TAX	-	-	-	-	
11-xx-xxx	DISPATCH DEPT REVENUES 0.6%	16.03	2,950.12	4,733.43	1,783.30	62.3
	<b>TOTAL DISPATCH DEPT REVENUES</b>	<b>39.18</b>	<b>7,124.96</b>	<b>11,233.43</b>	<b>4,125.26</b>	<b>63.4</b>
		PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
	<b>TOTAL DISPATCH DEPT EXPENDITURES</b>	<b>-</b>	<b>4,252.23</b>	<b>15,600.00</b>	<b>11,347.77</b>	<b>27.3</b>
	<b>DIFFERENCE</b>	<b>39.18</b>	<b>2,872.73</b>	<b>(4,366.57)</b>	<b>(7,222.51)</b>	
<b>DISPATCH DEPT EXPENDITURES</b>		PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
11-46-910	TRANSFERS OF 911 REVENUE	-	-	-	-	
11-46-980	INTRA-GOVT CHARGES	-	4,252.23	15,600.00	11,347.77	27.3%
	<b>TOTAL DISPATCH DEPT EXPENDITURES</b>	<b>-</b>	<b>4,252.23</b>	<b>15,600.00</b>	<b>11,347.77</b>	<b>27.3%</b>



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 For the Month ending February 29, 2020  
 67% of the year elapsed

**Public Works - Streets & Roads Department**

- ▶ Public Works Streets & Roads Department revenues are at 52.6% of budgeted expectation.
- ▶ Public Works Streets & Roads Department expenditures are at 11.4% of budgeted expectation.
- ▶ Public Works Streets & Roads Department balance revenues over expenditures is at \$105,137.57.

**PUBLIC WORKS DEPT SUMMARY**

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
11-33-471 FLOOD MITIGATION GRANT - CIB	-	-	-	-	
11-33-472 FLOOD MITIGATION LOAN- CIB	-	-	-	-	
11-35-110 COURT FINES 39%	247.65	4,820.10	3,666.00	(1,154.10)	131.5
11-33-560 CLASS "C" ROAD FUND	-	87,484.21	106,500.00	19,015.79	82.1
11-38-910 APPROP - GEN FUND BALANCE	-	-	86,490.42	86,490.42	-
11-38-927 APPROP - 2015 FLOOD GRANT PROJ	-	-	-	-	
11-xx-xxx PUBLIC WORKS DEPT REVENUES 20.4%	522.51	96,173.96	154,309.59	58,135.63	62.3
<b>TOTAL PUBLIC WORKS REVENUES</b>	<b>770.16</b>	<b>190,346.84</b>	<b>361,966.01</b>	<b>171,619.17</b>	<b>52.6</b>

	PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
<b>TOTAL PUBLIC WORKS DEPT EXPENDITURES</b>	<b>-</b>	<b>85,209.27</b>	<b>745,400.00</b>	<b>660,190.73</b>	<b>11.4</b>
<b>DIFFERENCE</b>	<b>770.16</b>	<b>105,137.57</b>	<b>(383,433.99)</b>	<b>(488,571.56)</b>	

**PW - STREETS & ROADS EXPENDITURES**

	PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
11-47-110 SALARIES-PERMANENT EMPLOYEES	-	39,999.83	90,000.00	50,000.17	44.4%
11-47-130 PAYROLL TAXES	-	799.03	6,800.00	6,000.97	11.8%
11-47-140 BENEFITS-OTHER	-	-	36,000.00	36,000.00	0.0%
11-47-230 TRAVEL	-	-	500.00	500.00	0.0%
11-47-250 EQUIPMENT SUPPLIES & MAINT	-	2,719.49	10,000.00	7,280.51	27.2%
11-47-255 EQUIPMENT RENT OR LEASE	-	-	15,000.00	15,000.00	0.0%
11-47-257 FUEL	-	2,104.67	10,600.00	8,495.33	19.9%
11-47-258 BULK OIL	-	-	-	-	
11-47-260 TOOLS & EQUIPMENT-NON CAPITAL	-	-	6,000.00	6,000.00	0.0%
11-47-273 MAINT & SUPPLY - SYSTEM	-	-	23,200.00	23,200.00	0.0%
11-47-286 STREET LIGHTS	-	2,755.80	5,300.00	2,544.20	52.0%
11-47-311 ENGINEER	-	-	5,600.00	5,600.00	0.0%
11-47-330 EDUCATION	-	-	800.00	800.00	0.0%
11-47-410 SPEC DEPT MATERIALS & SUPPLIES	-	-	30,000.00	30,000.00	0.0%
11-47-510 INSURANCE	-	889.35	3,600.00	2,710.65	24.7%
11-47-850 DEBT SERVICE	-	15,136.98	30,000.00	14,863.02	50.5%
11-47-953 SAFE ROUTES TO SCHOOL	-	9,891.50	-	(9,891.50)	
11-47-954 LOT 33 OBLIGATION	-	10,912.62	100,000.00	89,087.38	10.9%
11-47-955 SRTS 2020	-	-	180,000.00	180,000.00	0.0%
11-47-960 TRANSFER TO FUND 45 CAP PROJ	-	-	192,000.00	192,000.00	0.0%
<b>TOTAL PW - STREETS &amp; ROADS EXPENDITURES</b>	<b>0.00</b>	<b>85,209.27</b>	<b>745,400.00</b>	<b>660,190.73</b>	<b>11.4%</b>



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 For the Month ending February 29, 2020  
 67% of the year elapsed

### Parks Department

- ▶ Parks Department revenues are at 53.3% of budgeted expectation.
- ▶ Parks Department expenditures are at 23.7% of budgeted expectation.
- ▶ Parks Department balance revenues over expenditures is at (\$1,551.67).

<b>PARKS DEPT SUMMARY</b>		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
11-31-301	RAP TAX 100%	2,967.17	25,437.48	33,200.00	7,762.52	76.6
11-34-911	UEP COTTONWOOD PARK MAINTENANC 10%	-	11,209.44	36,000.00	24,790.56	31.1
11-xx-xxx	PARKS DEPT REVENUES 0.4%	9.43	1,735.02	2,783.81	1,048.79	62.3
<b>TOTAL PARKS REVENUES</b>		<b>2,976.60</b>	<b>38,381.94</b>	<b>71,983.81</b>	<b>33,601.87</b>	<b>53.3</b>
<b>TOTAL PARKS DEPT EXPENDITURES</b>		<b>-</b>	<b>39,933.61</b>	<b>168,200.00</b>	<b>128,266.39</b>	<b>23.7</b>
<b>DIFFERENCE</b>		<b>2,976.60</b>	<b>(1,551.67)</b>	<b>(96,216.19)</b>	<b>(94,664.52)</b>	

<b>PARKS EXPENDITURES</b>		PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
11-48-110	SALARIES-PERMANENT EMPLOYEES	-	26,584.76	104,000.00	77,415.24	25.6%
11-48-130	PAYROLL TAXES	-	-	8,100.00	8,100.00	0.0%
11-48-140	BENEFITS-OTHER	-	-	18,900.00	18,900.00	0.0%
11-48-210	BOOKS, SUBSCR, & MEMBERSHIPS	-	-	800.00	800.00	0.0%
11-48-230	TRAVEL, MEETINGS, AND TRAINING	-	-	400.00	400.00	0.0%
11-48-250	EQUIPMENT SUPPLIES & MAINT	-	634.57	2,600.00	1,965.43	24.4%
11-48-257	FUEL	-	1,367.85	600.00	(767.85)	228.0%
11-48-260	TOOLS & EQUIPMENT-NON CAPITAL	-	-	400.00	400.00	0.0%
11-48-272	MAINT & SUPPLY - OTHER	-	7,768.56	7,000.00	(768.56)	111.0%
11-48-273	MAINT & SUPPLY - SYSTEM	-	964.55	10,000.00	9,035.45	9.6%
11-48-280	UTILITIES	-	1,493.60	6,600.00	5,106.40	22.6%
11-48-285	POWER	-	1,034.72	5,200.00	4,165.28	19.9%
11-48-330	EDUCATION	-	85.00	400.00	315.00	21.3%
11-48-510	INSURANCE	-	-	3,200.00	3,200.00	0.0%
11-48-960	TRANSFER TO FUND 45 CAP PROJ	-	-	-	-	
<b>TOTAL PARKS EXPENDITURES</b>		<b>-</b>	<b>39,933.61</b>	<b>168,200.00</b>	<b>128,266.39</b>	<b>23.7%</b>

### COMMUNITY OUTREACH DEPARTMENT

- ▶ Community Outreach Department revenues are at 0% of budgeted expectation.
- ▶ Community Outreach Department expenditures are at 0.1% of budgeted expectation.
- ▶ Community Outreach Department balance revenues over expenditures is at \$4,128.72.

<b>COMMUNITY OUTREACH DEPARTMENT</b>		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
11-38-701	Hildale City Community Outreac 100%	-	-	3,000.00	3,000.00	0.0%
11-xx-xxx	NO GF ALLOCATION	-	-	-	-	





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67% of the year elapsed

TOTAL HCCO REVENUES	-	-	3,000.00	3,000.00	0.0%
TOTAL HCCO EXPENDITURES	-	4,128.72	74,800.00	70,671.28	5.5%
DIFFERENCE	-	(4,128.72)	(71,800.00)	(67,671.28)	

### COMMUNITY OUTREACH DEPARTMENT

	PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
11-49-110 SALARIES-PERMANENT EMPLOYEES	-	1,088.36	40,000.00	38,911.64	2.7%
11-49-140 BENEFITS-OTHER	-	-	1,800.00	1,800.00	0.0%
11-49-242 SERVICE FEES	-	-	-	-	
11-49-250 EQUIPMENT SUPPLIES & MAINT	-	-	-	-	
11-49-274 EQUIPMENT PURCHASE	-	2,869.16	10,000.00	7,130.84	28.7%
11-49-285 POWER	-	-	-	-	
11-49-310 PROFESSIONAL & TECHNICAL	-	-	-	-	
11-49-410 SPECIAL PROJECT	-	87.91	13,000.00	12,912.09	0.7%



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## FINANCIAL REPORT: REVENUES WITH COMPARISON TO BUDGET FOR THE GENERAL FUND

For the Month ending February 29, 2020

67% of the year elapsed

11-49-952	COUNTY TOURISM - GRANT OFFSET	-	-	10,000.00	10,000.00	0.0%
	TOTAL COMMUNITY OUTREACH DEPAR	-	4,128.72	74,800.00	70,671.28	5.5%

### Risk Management Fund

- ▶ Joint Litigation Risk Management revenues are at 17.5% of budgeted expectation.
- ▶ Joint Litigation Risk Management expenditures are at 43.8% of budgeted expectation.
- ▶ Joint Litigation Risk Management balance revenues over expenditures is at (\$18,800.01).

### RISK MANAGEMENT SUMMARY

SUMMARY REPORT	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
RISK MGMT REVENUES	-	12,533.34	71,600.00	59,066.66	17.5
RISK MGMT EXPENDITURES	-	31,333.35	71,600.00	40,266.65	43.8
DIFFERENCE	-	(18,800.01)	-	18,800.01	

REVENUES	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
64-38-101 TRANSFER FROM GENERAL FUND	-	3,133.32	17,900.00	14,766.68	17.5%
64-38-102 TRANSFER FROM WATER FUND	-	3,133.34	17,900.00	14,766.66	17.5%
64-38-103 TRANSFER FROM WASTEWATER	-	3,133.34	17,900.00	14,766.66	17.5%
64-38-105 TRANSFER FROM GAS FUND	-	3,133.34	17,900.00	14,766.66	17.5%
TOTAL REVENUES	-	12,533.34	71,600.00	59,066.66	17.5%

EXPENDITURES	PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
64-41-230 TRAVEL	-	-	2,700.00	2,700.00	0.0%
64-41-310 PROFESSIONAL & TECHNICAL	-	-	-	-	
64-41-316 LEGAL - LITIGATION DEFENSE	-	-	68,900.00	68,900.00	0.0%
64-41-911 JUDGMENTS AND LOSSES	-	31,333.35	-	(31,333.35)	
TOTAL EXPENDITURES	-	\$ 31,333.35	\$ 71,600.00	\$ 40,266.65	43.8%





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67% of the year elapsed

## Revenue and Expenditure Overview

Joint Utility Administration revenues are at 23.5% and expenditures are at 44.4%.

Water Department revenues are at 84.4% and expenditures are at 66%.

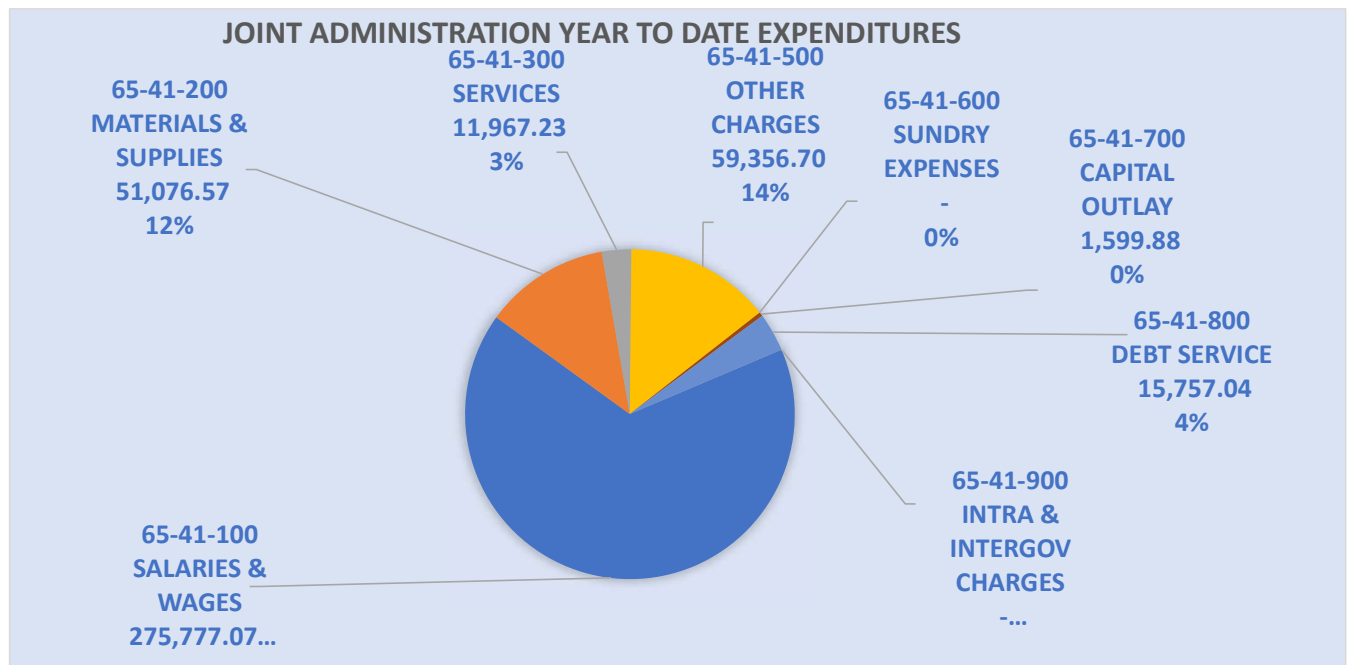
Wastewater Department revenues are at 51% and expenditures are at 17.3%.

Gas Department revenues are at 50.9% and expenditures are at 13.5%.

### JOINT ADMIN

- ▶ Joint Utility Administrative revenues are at \$240,122.04 or 23.5% of budgeted expectation.
- ▶ Joint Utility Administrative expenses are at \$416,082.46 or 44.4% of budgeted expectation.
- ▶ Joint Utility Administrative Funds balance revenues over expenditures are at (\$175,960.42).

TOTAL JOINT ADMIN REVENUE	-	\$ 240,122.04	\$ 1,021,164.00	\$ 781,041.96	24%
TOTAL JOINT ADMIN EXPENSE	-	\$ 416,082.46	\$ 936,932.00	\$ 520,849.54	44%
DIFFERENCE	-	\$ (175,960.42)	\$ 84,232.00	\$ 260,192.42	





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**JOINT UTILITY ADMINISTRATION REVENUES AND EXPENDITURES:**

Joint Administration Department revenues are at 24% of budgeted expectation.

REVENUES	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
65-38-102 TRANSFER FROM WATER FUND	-	105,053.38	305,130.00	200,076.62	34.4%
65-38-103 TRANSFER FROM WASTEWATER	-	97,549.59	403,232.00	305,682.41	24.2%
65-38-105 TRANSFER FROM GAS FUND	-	37,519.07	312,802.00	275,282.93	12.0%
<b>TOTAL REVENUES</b>	<b>-</b>	<b>240,122.04</b>	<b>1,021,164.00</b>	<b>781,041.96</b>	<b>23.5%</b>



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Joint Administration Department expenditures are at 44% of budgeted expectation.

EXPENDITURES	PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
65-41-110 SALARIES-PERMANENT EMPLOYEES	-	188,127.08	445,568.00	257,440.92	42.2%
65-41-130 PAYROLL TAXES	-	33,728.52	46,294.00	12,565.48	72.9%
65-41-140 BENEFITS-OTHER	-	47,821.47	100,470.00	52,648.53	47.6%
65-41-150 STIPENDS - UTILITY BOARD	-	6,100.00	11,700.00	5,600.00	52.1%
65-41-235 FOOD & REFRESHMENT	-	996.41	6,000.00	5,003.59	16.6%
65-41-250 EQUIPMENT SUPPLIES & MAINT	-	14,115.57	26,500.00	12,384.43	53.3%
65-41-257 FUEL	-	11,702.17	28,000.00	16,297.83	41.8%
65-41-260 TOOLS & EQUIPMENT-NON CAPITAL	-	11,215.34	26,000.00	14,784.66	43.1%
65-41-271 MAINT & SUPPLY - OFFICE	-	2,682.28	4,000.00	1,317.72	67.1%
65-41-280 UTILITIES	-	7,364.54	14,000.00	6,635.46	52.6%
65-41-285 POWER	-	3,000.26	12,900.00	9,899.74	23.3%
65-41-310 PROFESSIONAL & TECHNICAL	-	11,171.23	25,300.00	14,128.77	44.2%
65-41-330 EDUCATION	-	796.00	9,000.00	8,204.00	8.8%
65-41-510 INSURANCE	-	59,356.70	130,000.00	70,643.30	45.7%
65-41-630 PRE-ACCOUNT HOLDING	-	-	-	-	
65-41-720 BUILDINGS	-	547.97	10,000.00	9,452.03	5.5%
65-41-741 EQUIPMENT - OFFICE	-	1,599.88	3,200.00	1,600.12	50.0%
65-41-780 RESERVE PURCHASES	-	-	-	-	
65-41-850 DEBT SERVICE - VEHICLE & EQUIP	-	15,757.04	11,000.00	(4,757.04)	143.2%
65-41-960 TRANSFERS TO RESERVE FUNDS	-	-	27,000.00	27,000.00	0.0%
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>416,082.46</b>	<b>936,932.00</b>	<b>520,849.54</b>	<b>44.4%</b>



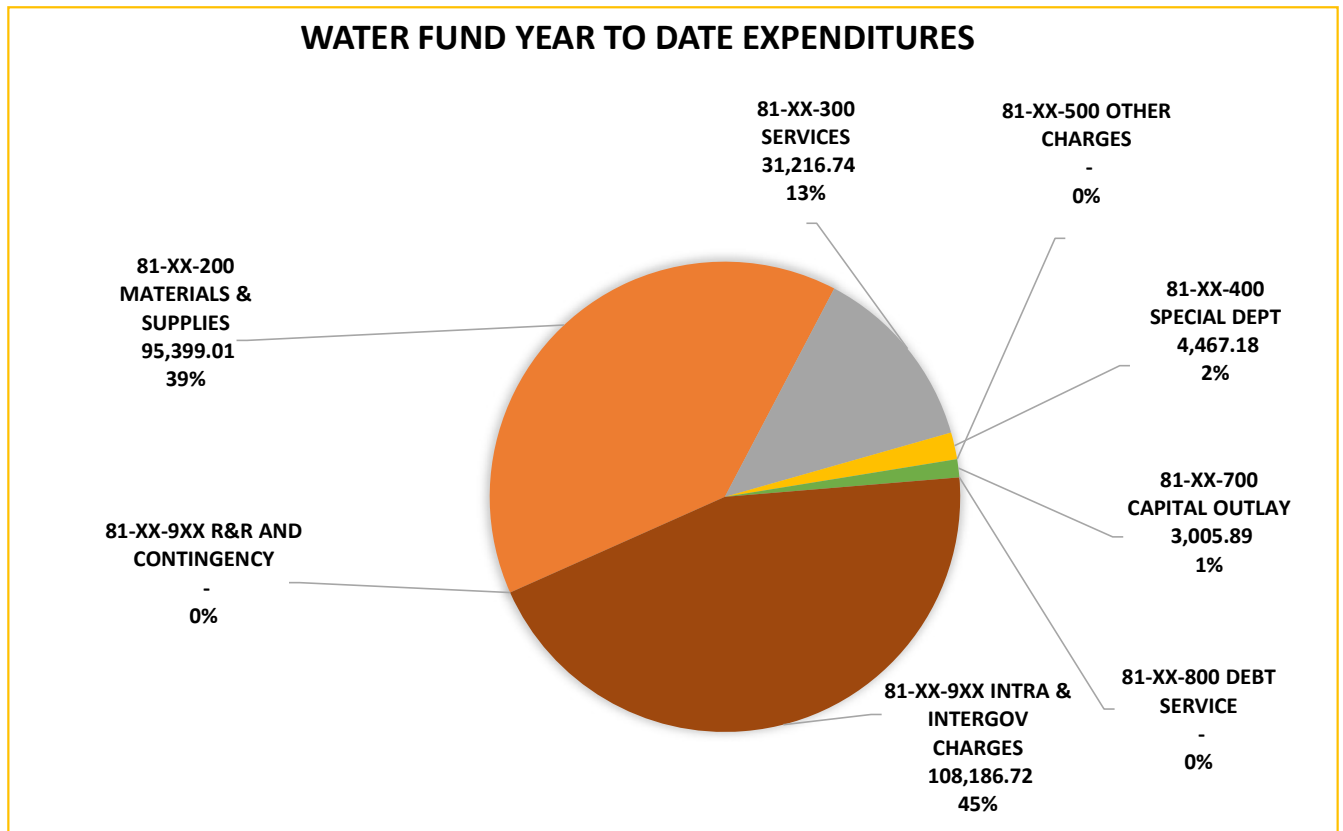
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FINANCIAL REPORT: REVENUES WITH COMPARISON TO BUDGET FOR THE UTILITY BOARD  
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67% of the year elapsed

**WATER FUND**

- ▶ Joint Utility Administrative revenues are at \$604,003.08 or 84.4% of budgeted expectation.
- ▶ Joint Utility Administrative expenses are at (\$239,269.65) or 66% of budgeted expectation.
- ▶ Joint Utility Administrative Funds balance revenues over expenditures are at \$364,733.43.

TOTAL WATER FUND REVENUE									
Operating Revenue	\$	(392.92)	\$	604,003.08	\$	715,930.00	\$	111,926.92	84%
Non-Operating Revenue	\$	-	\$	-	\$	205,000.00	\$	205,000.00	0%
<b>Total Water Revenue</b>	<b>\$</b>	<b>(392.92)</b>	<b>\$</b>	<b>604,003.08</b>	<b>\$</b>	<b>920,930.00</b>	<b>\$</b>	<b>316,926.92</b>	<b>84%</b>
TOTAL WATER FUND EXPENSE									
Operating Expenses	\$	-	\$	(131,082.93)	\$	(266,800.00)			49%
Non-Operating Expenses	\$	-	\$	(108,186.72)	\$	(640,830.00)	\$	(532,643.28)	17%
<b>Total Water Expense</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>(239,269.65)</b>	<b>\$</b>	<b>(907,630.00)</b>	<b>\$</b>	<b>(532,643.28)</b>	<b>66%</b>
<b>DIFFERENCE</b>	<b>\$</b>	<b>(392.92)</b>	<b>\$</b>	<b>364,733.43</b>	<b>\$</b>	<b>13,300.00</b>	<b>\$</b>	<b>(215,716.36)</b>	





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WATER DEPARTMENT REVENUES:

Water Department revenues are at 0% of budgeted expectation.

Connection Charges: utility service account change-over

OPERATING REVENUES		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
81-37-111	WATER SALES - METERED	-	237,629.94	247,279.00	9,649.06	96.1%
81-37-121	WATER SALES - FLAT RATE	-	216,111.96	327,651.00	111,539.04	66.0%
81-37-411	INTEREST	-	5,603.26	3,600.00	(2,003.26)	155.6%
81-37-451	IMPACT FEE - UT	-	-	-	-	
81-37-452	IMPACT FEE - AZ	-	-	-	-	
	<b>TOTAL OPERATING REVENUES</b>	<b>(392.92)</b>	<b>604,003.08</b>	<b>715,930.00</b>	<b>111,926.92</b>	<b>84.4%</b>
NON-OPERATING REVENUE		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
81-38-440	SUNDRY NON-OPERATING REVENUE	-	-	5,000.00	5,000.00	0.0%
81-38-999	CONTINGENCY	-	-	200,000.00	200,000.00	0.0%
	<b>TOTAL NON-OPERATING REVENUE</b>	<b>-</b>	<b>-</b>	<b>205,000.00</b>	<b>205,000.00</b>	<b>0.0%</b>



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WATER DEPARTMENT OPERATING EXPENDITURES:

Water Department operating expenditures are at 49% of budgeted expectation.

OPERATING EXPENDITURES	PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
81-41-110 SALARIES-PERMANENT EMPLOYEES	-	-	-	-	
81-41-210 BOOKS, SUBSCR, & MEMBERSHIPS	-	100.00	1,500.00	1,400.00	6.7%
81-41-230 TRAVEL	-	3,005.89	4,600.00	1,594.11	65.3%
81-41-235 FOOD & REFRESHMENT	-	31.53	600.00	568.47	5.3%
81-41-250 EQUIPMENT SUPPLIES & MAINT	-	-	16,000.00	16,000.00	0.0%
81-41-257 FUEL	-	27.03	200.00	172.97	13.5%
81-41-260 TOOLS & EQUIPMENT-NON CAPITAL	-	154.78	5,000.00	4,845.22	3.1%
81-41-273 MAINT & SUPPLY - SYSTEM	-	18,810.77	58,000.00	39,189.23	32.4%
81-41-285 POWER	-	73,269.01	80,000.00	6,730.99	91.6%
81-41-311 ENGINEER	-	14,966.25	5,000.00	(9,966.25)	299.3%
81-41-314 LABORATORY & TESTING	-	6,233.00	8,000.00	1,767.00	77.9%
81-41-315 LEGAL - GENERAL	-	-	1,000.00	1,000.00	0.0%
81-41-330 EDUCATION	-	-	4,000.00	4,000.00	0.0%
81-41-340 SYSTEM CONSTRUCTION SERVICES	-	580.00	2,000.00	1,420.00	29.0%
81-41-341 CONST-CUSTOMER'S INSTALLATION	-	9,437.49	62,400.00	52,962.51	15.1%
81-41-431 COMMODITY SUPPLY	-	-	-	-	
81-41-432 SPECIAL DEPT SUPPLIES	-	4,467.18	18,500.00	14,032.82	24.1%
<b>TOTAL OPERATING EXPENDITURES</b>	<b>-</b>	<b>131,082.93</b>	<b>266,800.00</b>	<b>135,717.07</b>	<b>49.1%</b>



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WATER DEPARTMENT NON-OPERATING EXPENDITURES:

Water Department non-operating expenditures are at 17% of budgeted expectation.

Litigation Defense is approaching anticipated amount. It will need to be adjusted.

NON-OPERATING EXPENDITURES	PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
81-42-560 BAD DEBT EXPENSE	-	-	2,000.00	2,000.00	0.0%
81-42-730 IMPROVEMENTS OTHER THAN BLDGS	-	-	2,200.00	2,200.00	0.0%
81-42-742 EQUIPMENT - FIELD	-	-	2,500.00	2,500.00	0.0%
81-42-750 SP PROJECTS CAPITAL	-	-	-	-	
81-42-760 INVENTORY	-	-	-	-	
81-42-815 PRINC. & INT W.RIGHTS LOAN	-	-	41,300.00	41,300.00	0.0%
81-42-911 TRANSFERS TO JOINT ADMIN FUND	-	105,053.38	305,130.00	200,076.62	34.4%
81-42-912 TRANSFERS TO LITIGATION	-	3,133.34	17,900.00	14,766.66	17.5%
81-42-913 TRANSFERS TO GF ADMIN	-	-	-	-	
81-42-960 TRANSFERS TO RESERVE FUNDS	-	-	69,800.00	69,800.00	0.0%
81-42-999 CONTINGENCY	-	-	200,000.00	200,000.00	0.0%
<b>TOTAL NON-OPERATING EXPENDITURES</b>	<b>-</b>	<b>108,186.72</b>	<b>640,830.00</b>	<b>532,643.28</b>	<b>16.9%</b>





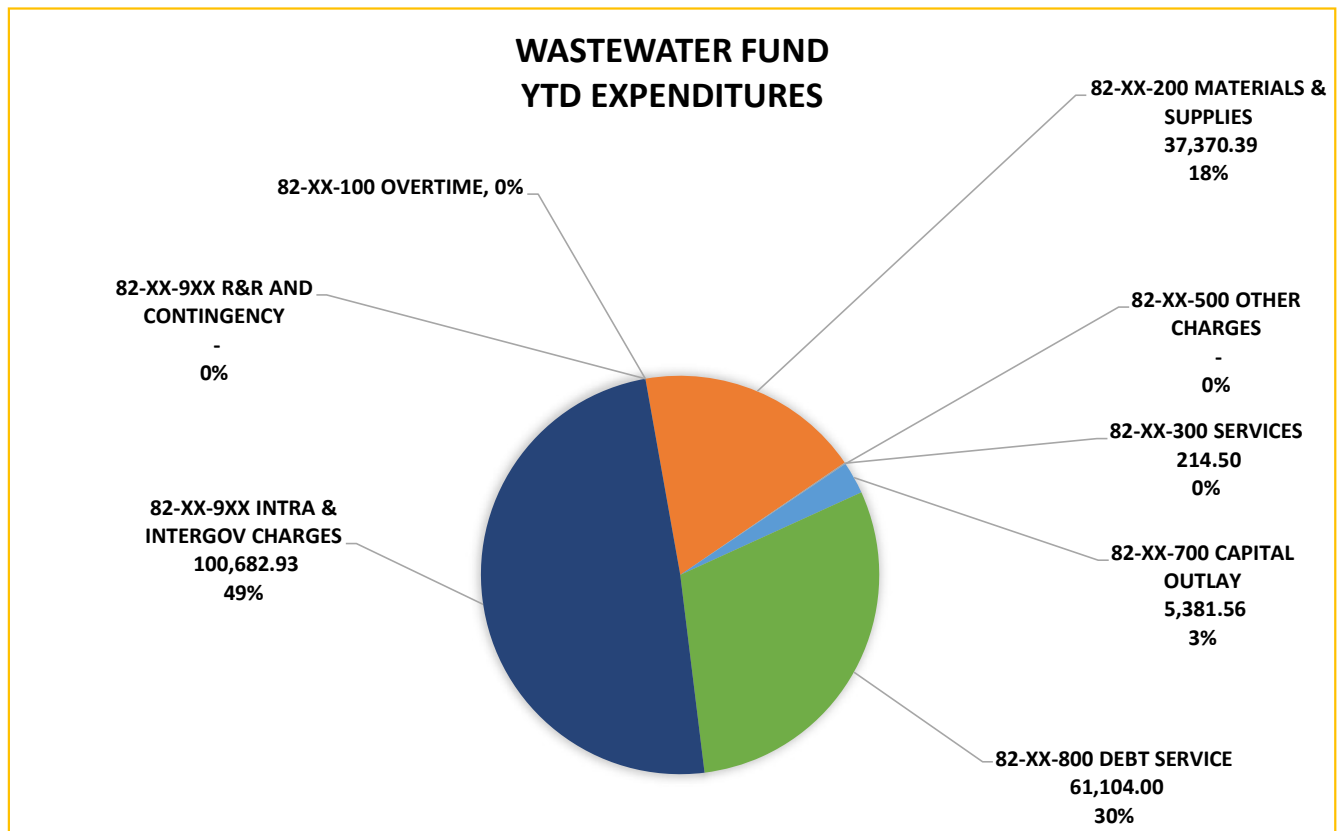
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WASTEWATER DEPARTMENT SUMMARY:

**WASTEWATER FUND**

SUMMARY REPORT	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
TOTAL WASTEWATER FUND REVENUE	-	558,816.91	1,094,765.00	535,948.09	51.0%
TOTAL WASTEWATER FUND EXPENDITURE	-	204,753.38	1,186,600.00	981,846.62	17.3%
DIFFERENCE	-	354,063.53	(91,835.00)	(445,898.53)	





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WASTEWATER DEPARTMENT REVENUES:

Wastewater Department revenues are at 51% of budgeted expectation.

Impact Fees: 9 Hildale/Colorado City fees paid; 39 CPWWID fees paid

OPERATING REVENUES		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
82-37-311	SERVICE CHARGES	-	406,331.81	640,265.00	233,933.19	63.5%
82-37-312	SERVICE CHARGES - CPMCWID	-	92,516.09	145,000.00	52,483.91	63.8%
82-37-331	CONNECTION CHARGES	-	(2,320.00)	10,000.00	12,320.00	-23.2%
82-37-332	SERVICING CUSTOMER INSTALL	-	5,016.88	20,000.00	14,983.12	25.1%
82-37-411	INTEREST	-	11,322.13	4,500.00	(6,822.13)	251.6%
82-37-451	IMPACT FEE	-	-	10,000.00	10,000.00	0.0%
82-37-452	IMPACT FEE - CPMCWID	-	45,950.00	10,000.00	(35,950.00)	459.5%
TOTAL OPERATING REVENUES		-	558,816.91	839,765.00	280,948.09	66.5%
NON-OPERATING REVENUES		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
82-38-102	TRANSFERS FROM R&R RESERVE	-	-	55,000.00	55,000.00	0.0%
82-38-440	SUNDRY NON-OPERATING REVENUE	-	-	-	-	
82-38-999	CONTINGENCY	-	-	200,000.00	200,000.00	0.0%
TOTAL NON-OPERATING REVENUES		-	-	255,000.00	255,000.00	0.0%



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WASTEWATER DEPARTMENT OPERATING EXPENDITURES:

Wastewater Department operating expenditures are at 26% of budgeted expectation.

Power: Pumps and aerators used in Summer, Garkane's power rates increased

OPERATING EXPENDITURES	PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
82-41-110 SALARIES-PERMANENT EMPLOYEES	-	-	-	-	
82-41-210 BOOKS, SUBSCR, & MEMBERSHIPS	-	-	500.00	500.00	0.0%
82-41-230 TRAVEL	-	1,352.59	4,600.00	3,247.41	29.4%
82-41-235 FOOD & REFRESHMENT	-	-	-	-	
82-41-250 EQUIPMENT SUPPLIES & MAINT	-	959.85	8,000.00	7,040.15	12.0%
82-41-257 FUEL	-	801.96	2,500.00	1,698.04	32.1%
82-41-260 TOOLS & EQUIPMENT-NON CAPITAL	-	1,413.94	7,000.00	5,586.06	20.2%
82-41-273 MAINTENANCE & SUPPLY - SYSTEM	-	22,292.02	55,000.00	32,707.98	40.5%
82-41-285 POWER	-	10,550.03	36,000.00	25,449.97	29.3%
82-41-311 ENGINEER	-	-	500.00	500.00	0.0%
82-41-314 LABORATORY & TESTING	-	-	1,500.00	1,500.00	0.0%
82-41-315 LEGAL - GENERAL	-	-	1,000.00	1,000.00	0.0%
82-41-330 EDUCATION	-	-	5,000.00	5,000.00	0.0%
82-41-340 SYSTEM CONSTRUCTION SERVICES	-	-	5,000.00	5,000.00	0.0%
82-41-341 CONST-CUSTOMER'S INSTALLATION	-	214.50	20,000.00	19,785.50	1.1%
<b>TOTAL OPERATING EXPENDITURES</b>	<b>-</b>	<b>37,584.89</b>	<b>146,600.00</b>	<b>109,015.11</b>	<b>25.6%</b>



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WASTEWATER DEPARTMENT NON-OPERATING EXPENDITURES:

Wastewater Department non-operating expenditures are at 16% of budgeted expectation.

Reserve Purchases: effluent pump \$15K, utility truck \$47.2K

NON-OPERATING EXPENSES	PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
82-42-560 BAD DEBT EXPENSE	-	-	1,500.00	1,500.00	0.0%
82-42-720 BUILDINGS	-	-	5,000.00	5,000.00	0.0%
82-42-742 EQUIPMENT - FIELD	-	-	5,400.00	5,400.00	0.0%
82-42-760 INVENTORY	-	-	-	-	
82-42-780 RESERVE PURCHASES	-	5,381.56	55,000.00	49,618.44	9.8%
82-42-811 PRINCIPAL ON BONDS - RDA A	-	-	-	-	
82-42-812 PRINCIPAL ON BONDS - RDA B	-	23,310.78	33,500.00	10,189.22	69.6%
82-42-813 PRINCIPAL ON BONDS - RDA - C	-	3,448.41	6,400.00	2,951.59	53.9%
82-42-816 PRINCIPAL ON BONDS - DWQ	-	-	80,000.00	80,000.00	0.0%
82-42-821 INTEREST ON BONDS - RDA A	-	-	-	-	
82-42-822 INTEREST ON BONDS - RDA - B	-	28,073.22	69,300.00	41,226.78	40.5%
82-42-823 INTEREST ON BONDS - RDA - C	-	6,271.59	13,100.00	6,828.41	47.9%
82-42-911 TRANSFERS TO JOINT ADMIN FUND	-	97,549.59	460,000.00	362,450.41	21.2%
82-42-912 TRANSFERS TO LITIGATION	-	3,133.34	17,900.00	14,766.66	17.5%
82-42-913 TRANSFERS TO GF ADMIN	-	-	-	-	
82-42-960 TRANSFERS TO RESERVE FUNDS	-	-	92,900.00	92,900.00	0.0%
82-42-999 CONTINGENCY	-	-	200,000.00	200,000.00	0.0%
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>-</b>	<b>167,168.49</b>	<b>1,040,000.00</b>	<b>872,831.51</b>	<b>16.1%</b>



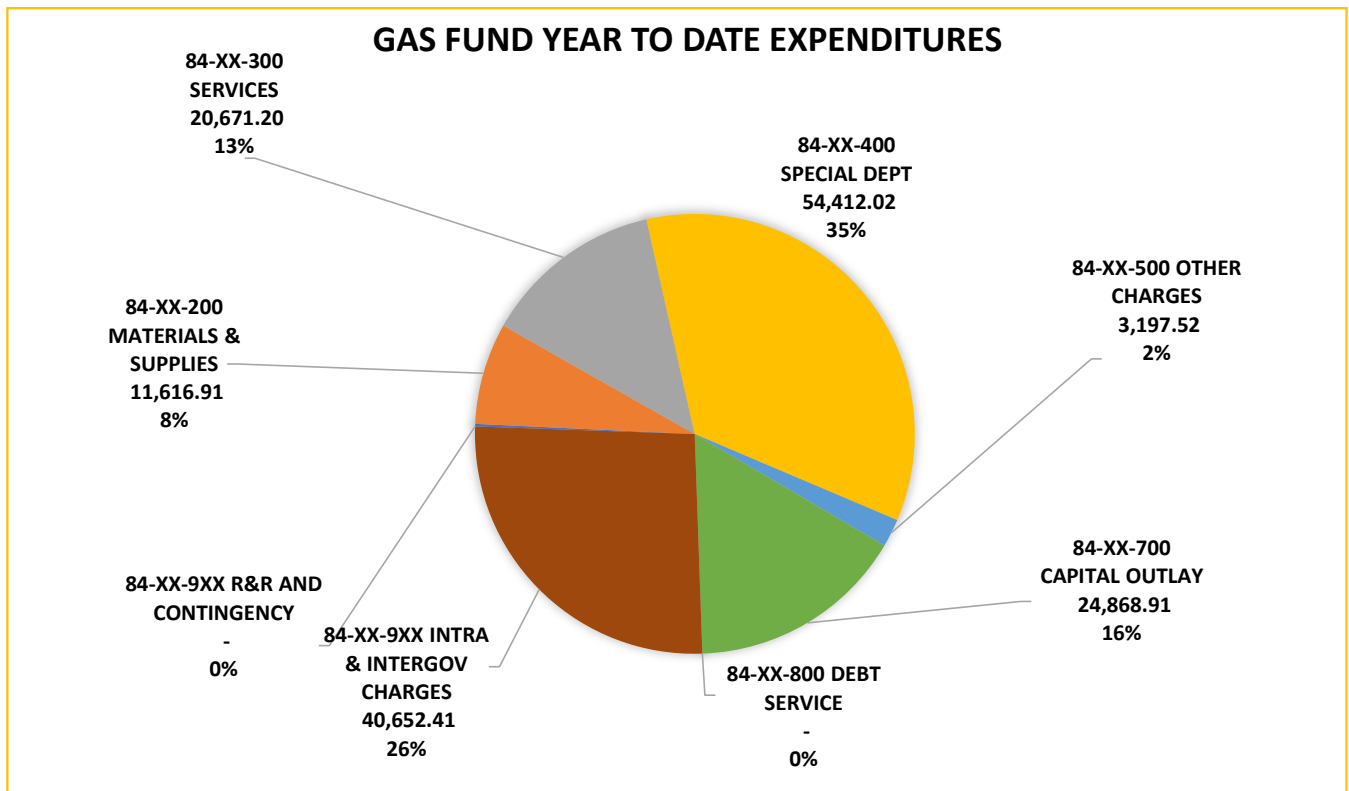
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GAS DEPARTMENT SUMMARY:

**GAS FUND**

SUMMARY REPORT	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
TOTAL GAS FUND REVENUE	42.29	514,595.08	1,010,474.00	495,878.92	50.9%
TOTAL GAS FUND EXPENDITURE	-	155,685.45	1,151,202.00	995,516.55	13.5%
DIFFERENCE	42.29	358,909.63	(140,728.00)	(499,637.63)	-255.0%





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GAS DEPARTMENT REVENUES:

Gas Department revenues are at 51% of budgeted expectation.

OPERATING REVENUES		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
84-37-111	GAS SALES - METERED NAT GAS	-	134,137.99	150,000.00	15,862.01	89.4%
84-37-112	GAS SALES - METERED PROPANE	42.29	252,842.76	379,874.00	127,031.24	66.6%
84-37-113	GAS SALES - CYLINDER	-	2,180.63	10,600.00	8,419.37	20.6%
84-37-114	GAS SALES - CYLINDER EXCHANGE	-	1,040.54	3,500.00	2,459.46	29.7%
84-37-121	NATURAL GAS SALES - FLAT RATE	-	17,028.26	25,000.00	7,971.74	68.1%
84-37-122	PROPANE GAS - FLAT RATE	-	22,353.44	34,000.00	11,646.56	65.7%
84-37-160	CONSTRUCTION REVENUE	-	12,622.86	125,000.00	112,377.14	10.1%
84-37-331	CONNECTION CHARGES	-	4,535.00	5,000.00	465.00	90.7%
84-37-351	SUNDRY OPERATING REVENUE	-	-	47,000.00	47,000.00	0.0%
84-37-411	INTEREST	-	7,237.49	3,500.00	(3,737.49)	206.8%
84-37-412	PENALTIES	-	60,616.11	25,000.00	(35,616.11)	242.5%
TOTAL OPERATING REVENUES		42.29	514,595.08	808,474.00	293,878.92	63.7%
NON-OPERATING REVENUES		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
84-38-102	TRANSFERS FROM R&R RESERVE	-	-	180,000.00	180,000.00	0.0%
84-38-901	APPROP - UTILITY FUND BALANCE	-	-	22,000.00	22,000.00	0.0%
TOTAL NON-OPERATING REVENUES		-	-	202,000.00	202,000.00	0.0%



320 East Newel Avenue  
Hildale, UT 84784-0490

FINANCIAL REPORT: REVENUES WITH COMPARISON TO BUDGET FOR THE UTILITY BOARD  
For the Month ending February 29, 2020  
67% of the year elapsed

GAS DEPARTMENT OPERATING EXPENDITURES:

Gas Department operating expenditures are at 18% of budgeted expectation.

Fuel: Transport to other cities and towns

Tools (non-capital): Expense from Meter & Meters for field crew and Pipeline Safety

OPERATING EXPENDITURES	PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
84-41-110 SALARIES-PERMANENT EMPLOYEES	-	-	-	-	
84-41-140 BENEFITS-OTHER	-	266.48	3,000.00	2,733.52	8.9%
84-41-210 BOOKS, SUBSCR, & MEMBERSHIPS	-	800.00	2,000.00	1,200.00	40.0%
84-41-230 TRAVEL	-	-	4,000.00	4,000.00	0.0%
84-41-235 FOOD & REFRESHMENT	-	-	-	-	
84-41-250 EQUIPMENT SUPPLIES & MAINT	-	679.45	5,000.00	4,320.55	13.6%
84-41-257 FUEL	-	673.36	1,500.00	826.64	44.9%
84-41-260 TOOLS & EQUIPMENT-NON CAPITAL	-	2,367.66	5,000.00	2,632.34	47.4%
84-41-273 MAINT & SUPPLY SYSTEM	-	6,514.85	11,700.00	5,185.15	55.7%
84-41-285 POWER	-	581.59	1,000.00	418.41	58.2%
84-41-330 EDUCATION	-	3,202.38	8,000.00	4,797.62	40.0%
84-41-340 SYSTEM CONSTRUCTION SERVICES	-	-	-	-	
84-41-341 CONST-CUSTOMER'S INSTALLATION	-	17,468.82	125,000.00	107,531.18	14.0%
84-41-431 NATURAL GAS COMMODITY SUPPLY	-	(5,045.63)	65,000.00	70,045.63	-7.8%
84-41-432 PROPANE GAS COMMODITY SUPPLY	-	86,111.22	250,000.00	163,888.78	34.4%
84-41-434 NAT GAS COMMODITY TRANSPORT	-	(26,653.57)	19,000.00	45,653.57	-140.3%
84-41-580 RENT OR LEASE	-	3,197.52	4,500.00	1,302.48	71.1%
TOTAL OPERATING EXPENDITURES	-	90,164.13	504,700.00	414,535.87	17.9%



320 East Newel Avenue  
Hildale, UT 84784-0490

FINANCIAL REPORT: REVENUES WITH COMPARISON TO BUDGET FOR THE UTILITY BOARD  
For the Month ending February 29, 2020  
67% of the year elapsed

GAS DEPARTMENT NON-OPERATING EXPENDITURES:

Gas Department non-operating expenditures are at 10% of budgeted expectation.

Reserve Purchases: gas valves; propane truck repairs, and new utility truck

NON-OPERATING EXPENDITURES	PERIOD ACTUAL	YTD ACTUAL W/ENC	BUDGET	UNEXPENDED	PCNT
84-42-560 BAD DEBT EXPENSE	-	-	600.00	600.00	0.0%
84-42-750 SP PROJECTS CAPITAL	-	21,658.46	37,000.00	15,341.54	58.5%
84-42-760 INVENTORY	-	-	-	-	
84-42-780 RESERVE PURCHASES	-	3,210.45	180,000.00	176,789.55	1.8%
84-42-890 OTHER DEBT SERVICE	-	-	-	-	
84-42-911 TRANSFERS TO JOINT ADMIN FUND	-	37,519.07	312,802.00	275,282.93	12.0%
84-42-912 TRANSFERS TO LITIGATION	-	3,133.34	17,900.00	14,766.66	17.5%
84-42-913 TRANSFERS TO GF ADMIN	-	-	-	-	
84-42-960 TRANSFERS TO RESERVE FUNDS	-	-	98,200.00	98,200.00	0.0%
<b>TOTAL NON-OPERATING EXPENDITURES</b>	<b>-</b>	<b>65,521.32</b>	<b>646,502.00</b>	<b>580,980.68</b>	<b>10.1%</b>



CITY OF HILDALE  
REVENUES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>TAXES</u>					
11-31-100	122,655.79	122,655.79	95,980.00	( 26,675.79)	127.8
11-31-200	48,460.99	48,460.99	134,700.00	86,239.01	36.0
11-31-300	189,098.33	189,098.33	269,700.00	80,601.67	70.1
11-31-301	25,437.48	25,437.48	33,200.00	7,762.52	76.6
11-31-401	40,002.14	40,002.14	93,200.00	53,197.86	42.9
11-31-402	2,724.06	2,724.06	9,300.00	6,575.94	29.3
11-31-403	1,348.32	1,348.32	1,000.00	( 348.32)	134.8
11-31-700	11,047.02	11,047.02	39,900.00	28,852.98	27.7
11-31-900	2,147.32	2,147.32	7,900.00	5,752.68	27.2
TOTAL TAXES	442,921.45	442,921.45	684,880.00	241,958.55	64.7
<u>LICENSES AND PERMITS</u>					
11-32-100	1,340.00	1,340.00	2,000.00	660.00	67.0
11-32-200	17,347.00	17,347.00	12,000.00	( 5,347.00)	144.6
11-32-300	4,815.00	4,815.00	.00	( 4,815.00)	.0
TOTAL LICENSES AND PERMITS	23,502.00	23,502.00	14,000.00	( 9,502.00)	167.9
<u>INTERGOVERNMENTAL REVENUE</u>					
11-33-421	.00	.00	1,000.00	1,000.00	.0
11-33-433	86,520.10	86,520.10	180,000.00	93,479.90	48.1
11-33-434	.00	.00	180,000.00	180,000.00	.0
11-33-560	87,484.21	87,484.21	106,500.00	19,015.79	82.1
11-33-581	.00	.00	10,000.00	10,000.00	.0
TOTAL INTERGOVERNMENTAL REVENUE	174,004.31	174,004.31	477,500.00	303,495.69	36.4
<u>CHARGES FOR SERVICES</u>					
11-34-120	18.10	18.10	200.00	181.90	9.1
11-34-130	.00	.00	3,000.00	3,000.00	.0
11-34-191	.00	.00	100.00	100.00	.0
11-34-192	.00	.00	100.00	100.00	.0
11-34-250	.00	.00	50,000.00	50,000.00	.0
11-34-910	11,900.00	11,900.00	20,400.00	8,500.00	58.3
11-34-911	11,209.44	11,209.44	36,000.00	24,790.56	31.1
11-34-912	.00	.00	6,000.00	6,000.00	.0
TOTAL CHARGES FOR SERVICES	23,127.54	23,127.54	115,800.00	92,672.46	20.0

CITY OF HILDALE  
REVENUES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>FINES AND FORFEITURES</u>					
11-35-110 COURT FINES	12,359.24	12,359.24	9,400.00	( 2,959.24)	131.5
11-35-210 BAIL AND BOND FORFEITURE	.00	.00	600.00	600.00	.0
TOTAL FINES AND FORFEITURES	12,359.24	12,359.24	10,000.00	( 2,359.24)	123.6
<u>MISCELLANEOUS REVENUE</u>					
11-36-100 INTEREST EARNINGS - GEN FUND	7,956.76	7,956.76	6,800.00	( 1,156.76)	117.0
11-36-210 RENTAL - OFFICES IN CITY BLDG	.00	.00	11,700.00	11,700.00	.0
11-36-600 SUNDRY REVENUES	75.68	75.68	.00	( 75.68)	.0
11-36-800 LOT LEASES	26,148.65	26,148.65	66,600.00	40,451.35	39.3
11-36-810 LAND SALES - INDUSTRIAL PARK	32,600.00	32,600.00	32,000.00	( 600.00)	101.9
11-36-910 SUNDRY REV - GEN FUND	1,868.56	1,868.56	11,000.00	9,131.44	17.0
11-36-911 CCFD EQUIPMENT REVENUE	25,000.00	25,000.00	60,000.00	35,000.00	41.7
11-36-920 SUNDRY REV - FIRE DEPT	.00	.00	50,000.00	50,000.00	.0
TOTAL MISCELLANEOUS REVENUE	93,649.65	93,649.65	238,100.00	144,450.35	39.3
<u>CONTRIBUTIONS AND TRANSFERS</u>					
11-38-701 HILDALE CITY COMMUNITY OUTREAC	.00	.00	3,000.00	3,000.00	.0
11-38-702 CONTRIBUTIONS-COMMUNITY OUTREA	.00	.00	4,600.00	4,600.00	.0
11-38-910 APPROP - GEN FUND BALANCE	.00	.00	100,000.00	100,000.00	.0
11-38-920 APPROP - CAPITAL PROJECTS	.00	.00	496,120.00	496,120.00	.0
11-38-928 CONTINGENCY	.00	.00	125,000.00	125,000.00	.0
TOTAL CONTRIBUTIONS AND TRANSFERS	.00	.00	728,720.00	728,720.00	.0
TOTAL FUND REVENUE	769,564.19	769,564.19	2,269,000.00	1,499,435.81	33.9

CITY OF HILDALE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>GEN GOVT ADMINISTRATION</u>					
11-41-110 SALARIES-PERMANENT EMPLOYEES	.00	.00	25,000.00	25,000.00	.0
11-41-111 SECRETARIAL STAFF	370.66	370.66	40,000.00	39,629.34	.9
11-41-112 MAYOR	12,750.00	12,750.00	21,000.00	8,250.00	60.7
11-41-113 MANAGER	19,475.61	19,475.61	27,000.00	7,524.39	72.1
11-41-114 TREASURER	.00	.00	10,000.00	10,000.00	.0
11-41-115 RECORDER	10,493.75	10,493.75	14,000.00	3,506.25	75.0
11-41-117 ATTORNEY	57,692.25	57,692.25	40,000.00	( 17,692.25)	144.2
11-41-130 PAYROLL TAXES	9,755.85	9,755.85	23,000.00	13,244.15	42.4
11-41-140 BENEFITS-OTHER	8,172.92	8,172.92	.00	( 8,172.92)	.0
11-41-151 STIPENDS - CITY COUNCIL	5,880.00	5,880.00	5,000.00	( 880.00)	117.6
11-41-152 STIPENDS - PLANNING COMMISSION	2,730.00	2,730.00	5,000.00	2,270.00	54.6
11-41-153 STIPENDS - ADJUSTMENTS BOARD	.00	.00	500.00	500.00	.0
11-41-210 BOOKS, SUBSCR, & MEMBERSHIPS	276.79	276.79	500.00	223.21	55.4
11-41-220 PUBLIC NOTICES	.00	.00	1,000.00	1,000.00	.0
11-41-230 TRAVEL	531.81	531.81	3,000.00	2,468.19	17.7
11-41-235 FOOD & REFRESHMENT	397.45	397.45	1,500.00	1,102.55	26.5
11-41-240 OFFICE EXPENSE & SUPPLIES	794.25	794.25	2,000.00	1,205.75	39.7
11-41-241 COPIER & PRINTER	794.13	794.13	2,000.00	1,205.87	39.7
11-41-244 PRINT & POSTAGE	1,223.60	1,223.60	1,000.00	( 223.60)	122.4
11-41-250 EQUIPMENT SUPPLIES & MAINT	78.74	78.74	500.00	421.26	15.8
11-41-257 FUEL	1,084.22	1,084.22	2,000.00	915.78	54.2
11-41-260 TOOLS & EQUIPMENT-NON CAPITAL	.00	.00	1,000.00	1,000.00	.0
11-41-271 MAINT & SUPPLY - BUILDING	637.63	637.63	2,800.00	2,162.37	22.8
11-41-272 MAINT & SUPPLY - IT	( 16.20)	( 16.20)	1,000.00	1,016.20	( 1.6)
11-41-280 UTILITIES	2,090.57	2,090.57	5,000.00	2,909.43	41.8
11-41-285 POWER	2,070.26	2,070.26	2,000.00	( 70.26)	103.5
11-41-287 TELEPHONE	1,346.78	1,346.78	2,000.00	653.22	67.3
11-41-310 PROFESSIONAL & TECHNICAL	5,794.58	5,794.58	16,200.00	10,405.42	35.8
11-41-311 ENGINEER	.00	.00	3,500.00	3,500.00	.0
11-41-313 AUDITOR	11,500.00	11,500.00	30,600.00	19,100.00	37.6
11-41-315 INFORMATION TECHNOLOGY - SYSTE	4,779.08	4,779.08	.00	( 4,779.08)	.0
11-41-316 INFORMATION TECHNOLOGY - SERVI	804.53	804.53	.00	( 804.53)	.0
11-41-317 INFORMATION TECHNOLOGY - CONS	1,627.44	1,627.44	5,100.00	3,472.56	31.9
11-41-318 INFORMATION TECHNOLOGY - SOFTW	6,439.16	6,439.16	.00	( 6,439.16)	.0
11-41-319 CONTINGENCY	.00	.00	100,000.00	100,000.00	.0
11-41-330 EDUCATION	1,752.00	1,752.00	10,000.00	8,248.00	17.5
11-41-350 ELECTIONS	664.61	664.61	.00	( 664.61)	.0
11-41-510 INSURANCE	27,297.58	27,297.58	30,500.00	3,202.42	89.5
11-41-521 CREDIT CARD EXPENSE	661.18	661.18	.00	( 661.18)	.0
11-41-741 EQUIPMENT - OFFICE	.00	.00	5,000.00	5,000.00	.0
11-41-743 EQUIPMENT - VEHICLE	260.00	260.00	3,000.00	2,740.00	8.7
11-41-914 TRANSFER TO FUND 63	4,024.94	4,024.94	40,000.00	35,975.06	10.1
11-41-916 TRANSFER TO FUND 64	3,133.32	3,133.32	17,900.00	14,766.68	17.5
11-41-960 TRANSFER TO FUND 45 CAP PROJ	.00	.00	12,000.00	12,000.00	.0
<b>TOTAL GEN GOVT ADMINISTRATION</b>	<b>207,369.49</b>	<b>207,369.49</b>	<b>511,600.00</b>	<b>304,230.51</b>	<b>40.5</b>

CITY OF HILDALE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>MUNICIPAL COURT</u>					
11-42-110 SALARIES-PERMANENT EMPLOYEES	4,326.90	4,326.90	11,300.00	6,973.10	38.3
11-42-130 PAYROLL TAXES & BENEFITS	330.90	330.90	900.00	569.10	36.8
11-42-140 BENEFITS-OTHER	.00	.00	300.00	300.00	.0
11-42-210 BOOKS, SUBSCR, & MEMBERSHIPS	.00	.00	100.00	100.00	.0
11-42-230 TRAVEL	.00	.00	600.00	600.00	.0
11-42-310 PROFESSIONAL & TECHNICAL	525.00	525.00	.00	( 525.00)	.0
11-42-330 EDUCATION	.00	.00	400.00	400.00	.0
11-42-550 FINES, SURCHARGES - AOC	.00	.00	3,000.00	3,000.00	.0
11-42-960 TRANSFER TO FUND 45 CAP PROJ	.00	.00	300.00	300.00	.0
TOTAL MUNICIPAL COURT	5,182.80	5,182.80	16,900.00	11,717.20	30.7
<u>POLICE DEPARTMENT</u>					
11-43-140 BENEFITS-OTHER	.00	.00	1,600.00	1,600.00	.0
11-43-287 TELEPHONE	2,730.43	2,730.43	2,000.00	( 730.43)	136.5
11-43-310 PROFESSIONAL & TECHNICAL	12,104.20	12,104.20	10,000.00	( 2,104.20)	121.0
11-43-960 TRANSFER TO FUND 45 CAP PROJ	.00	.00	25,000.00	25,000.00	.0
11-43-980 INTRA-GOVT CHARGES	54,630.85	54,630.85	230,000.00	175,369.15	23.8
TOTAL POLICE DEPARTMENT	69,465.48	69,465.48	268,600.00	199,134.52	25.9
<u>FIRE DEPARTMENT</u>					
11-44-510 INSURANCE	359.16	359.16	800.00	440.84	44.9
11-44-620 MISC. SERVICES	.00	.00	50,000.00	50,000.00	.0
11-44-850 DEBT SERVICE - VEHICLE & EQUIP	.00	.00	110,000.00	110,000.00	.0
11-44-952 STATE GRANT OFFSET	12,458.26	12,458.26	.00	( 12,458.26)	.0
11-44-960 TRANSFER TO FUND 45 CAP PROJ	.00	.00	92,300.00	92,300.00	.0
11-44-980 INTRA-GOVT CHARGES	27,000.00	27,000.00	90,000.00	63,000.00	30.0
TOTAL FIRE DEPARTMENT	39,817.42	39,817.42	343,100.00	303,282.58	11.6
<u>BUILDING DEPARTMENT</u>					
11-45-110 SALARIES-PERMANENT EMPLOYEES	29,801.78	29,801.78	40,000.00	10,198.22	74.5
11-45-130 PAYROLL TAXES	.00	.00	4,000.00	4,000.00	.0
11-45-140 BENEFITS-OTHER	.00	.00	14,000.00	14,000.00	.0
11-45-210 BOOKS, SUBSCR, & MEMBERSHIPS	.00	.00	300.00	300.00	.0
11-45-250 EQUIPMENT SUPPLIES & MAINT	.00	.00	1,900.00	1,900.00	.0
11-45-311 ENGINEER	1,293.75	1,293.75	.00	( 1,293.75)	.0
11-45-330 EDUCATION	314.00	314.00	2,100.00	1,786.00	15.0
11-45-550 SURCHARGES FOR BLDG PERMITS	.00	.00	100.00	100.00	.0
11-45-960 TRANSFER TO FUND 45 CAP PROJ	.00	.00	62,400.00	62,400.00	.0
TOTAL BUILDING DEPARTMENT	31,409.53	31,409.53	124,800.00	93,390.47	25.2

CITY OF HILDALE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>PUBLIC SAFETY DISPATCH</u>					
11-46-980 INTRA-GOVT CHARGES	4,252.23	4,252.23	15,600.00	11,347.77	27.3
TOTAL PUBLIC SAFETY DISPATCH	4,252.23	4,252.23	15,600.00	11,347.77	27.3
<u>PUBLIC WORKS - STREETS &amp; ROADS</u>					
11-47-110 SALARIES-PERMANENT EMPLOYEES	39,999.83	39,999.83	90,000.00	50,000.17	44.4
11-47-130 PAYROLL TAXES	799.03	799.03	6,800.00	6,000.97	11.8
11-47-140 BENEFITS-OTHER	.00	.00	36,000.00	36,000.00	.0
11-47-230 TRAVEL	.00	.00	500.00	500.00	.0
11-47-250 EQUIPMENT SUPPLIES & MAINT	2,651.99	2,651.99	10,000.00	7,348.01	26.5
11-47-255 EQUIPMENT RENT OR LEASE	.00	.00	15,000.00	15,000.00	.0
11-47-257 FUEL	2,104.67	2,104.67	10,600.00	8,495.33	19.9
11-47-260 TOOLS & EQUIPMENT-NON CAPITAL	.00	.00	6,000.00	6,000.00	.0
11-47-273 MAINT & SUPPLY - SYSTEM	.00	.00	23,200.00	23,200.00	.0
11-47-286 STREET LIGHTS	2,755.80	2,755.80	5,300.00	2,544.20	52.0
11-47-311 ENGINEER	.00	.00	5,600.00	5,600.00	.0
11-47-330 EDUCATION	.00	.00	800.00	800.00	.0
11-47-410 SPEC DEPT MATERIALS & SUPPLIES	.00	.00	30,000.00	30,000.00	.0
11-47-510 INSURANCE	889.35	889.35	3,600.00	2,710.65	24.7
11-47-850 DEBT SERVICE	15,136.98	15,136.98	30,000.00	14,863.02	50.5
11-47-953 SAFE ROUTES TO SCHOOL	9,891.50	9,891.50	.00	( 9,891.50)	.0
11-47-954 LOT 33 OBLIGATION	10,912.62	10,912.62	100,000.00	89,087.38	10.9
11-47-955 SRTS 2020	.00	.00	180,000.00	180,000.00	.0
11-47-960 TRANSFER TO FUND 45 CAP PROJ	.00	.00	192,000.00	192,000.00	.0
TOTAL PUBLIC WORKS - STREETS & ROADS	85,141.77	85,141.77	745,400.00	660,258.23	11.4
<u>PUBLIC WORKS - PARKS</u>					
11-48-110 SALARIES-PERMANENT EMPLOYEES	26,584.76	26,584.76	104,000.00	77,415.24	25.6
11-48-130 PAYROLL TAXES	.00	.00	8,100.00	8,100.00	.0
11-48-140 BENEFITS-OTHER	.00	.00	18,900.00	18,900.00	.0
11-48-210 BOOKS, SUBSCR, & MEMBERSHIPS	.00	.00	800.00	800.00	.0
11-48-230 TRAVEL, MEETINGS, AND TRAINING	.00	.00	400.00	400.00	.0
11-48-250 EQUIPMENT SUPPLIES & MAINT	410.61	410.61	2,600.00	2,189.39	15.8
11-48-257 FUEL	1,367.85	1,367.85	600.00	( 767.85)	228.0
11-48-260 TOOLS & EQUIPMENT-NON CAPITAL	.00	.00	400.00	400.00	.0
11-48-272 MAINT & SUPPLY - OTHER	7,112.06	7,112.06	7,000.00	( 112.06)	101.6
11-48-273 MAINT & SUPPLY - SYSTEM	964.55	964.55	10,000.00	9,035.45	9.7
11-48-280 UTILITIES	1,493.60	1,493.60	6,600.00	5,106.40	22.6
11-48-285 POWER	1,034.72	1,034.72	5,200.00	4,165.28	19.9
11-48-330 EDUCATION	85.00	85.00	400.00	315.00	21.3
11-48-510 INSURANCE	.00	.00	3,200.00	3,200.00	.0
TOTAL PUBLIC WORKS - PARKS	39,053.15	39,053.15	168,200.00	129,146.85	23.2

CITY OF HILDALE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>COMMUNITY OUTREACH DEPARTMENT</u>					
11-49-110 SALARIES-PERMANENT EMPLOYEES	1,088.36	1,088.36	40,000.00	38,911.64	2.7
11-49-130 PAYROLL TAXES	83.29	83.29	.00	( 83.29)	.0
11-49-140 BENEFITS-OTHER	.00	.00	1,800.00	1,800.00	.0
11-49-274 EQUIPMENT PURCHASE	2,869.16	2,869.16	10,000.00	7,130.84	28.7
11-49-410 SPECIAL PROJECT	87.91	87.91	13,000.00	12,912.09	.7
11-49-952 COUNTY TOURISM - GRANT OFFSET	.00	.00	10,000.00	10,000.00	.0
TOTAL COMMUNITY OUTREACH DEPARTME	4,128.72	4,128.72	74,800.00	70,671.28	5.5
TOTAL FUND EXPENDITURES	485,820.59	485,820.59	2,269,000.00	1,783,179.41	21.4
NET REVENUE OVER EXPENDITURES	283,743.60	283,743.60	.00	( 283,743.60)	.0

CITY OF HILDALE  
 REVENUES WITH COMPARISON TO BUDGET  
 FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

GF DEBT SERVICE

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>SOURCE 34</u>					
31-34-801 TRANS FOR LADDER TRUCK PMT	.00	.00	60,000.00	60,000.00	.0
31-34-802 TRANS FOR CIB EQUIP BOND PMT	.00	.00	79,000.00	79,000.00	.0
31-34-803 2018 CIB DETENTION POND	.00	.00	30,000.00	30,000.00	.0
TOTAL SOURCE 34	.00	.00	169,000.00	169,000.00	.0
TOTAL FUND REVENUE	.00	.00	169,000.00	169,000.00	.0

CITY OF HILDALE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

GF DEBT SERVICE

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>FIRE DEPT DEBT SERVICE</u>					
31-44-711 FIRE EQ 2015 BOND DEBT SERVICE	71,000.00	71,000.00	69,000.00	( 2,000.00)	102.9
31-44-712 FIRE EQ 2015 BOND INTEREST	7,824.60	7,824.60	10,000.00	2,175.40	78.3
31-44-721 LADDER TRUCK DEBT PRINCIPAL	.00	.00	56,200.00	56,200.00	.0
31-44-722 LADDER TRUCK DEBT INTEREST	.00	.00	3,800.00	3,800.00	.0
31-44-723 2018 CIB DETENTION POND	18,000.00	18,000.00	30,000.00	12,000.00	60.0
31-44-724 2018 CIB DETEN POND INTEREST	11,250.00	11,250.00	.00	( 11,250.00)	.0
TOTAL FIRE DEPT DEBT SERVICE	<u>108,074.60</u>	<u>108,074.60</u>	<u>169,000.00</u>	<u>60,925.40</u>	<u>64.0</u>
TOTAL FUND EXPENDITURES	<u>108,074.60</u>	<u>108,074.60</u>	<u>169,000.00</u>	<u>60,925.40</u>	<u>64.0</u>
NET REVENUE OVER EXPENDITURES	<u>( 108,074.60)</u>	<u>( 108,074.60)</u>	<u>.00</u>	<u>108,074.60</u>	<u>.0</u>



CITY OF HILDALE  
REVENUES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

HILDALE CITY GRANTS

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>INTERGOVERNMENTAL REVENUE</u>					
41-33-801 LIQUOR FUND ALLOTMENT	1,601.93	1,601.93	2,000.00	398.07	80.1
41-33-802 JAG GRANT	.00	.00	6,000.00	6,000.00	.0
41-33-803 PD BEMS GRANT	.00	.00	7,500.00	7,500.00	.0
<b>TOTAL INTERGOVERNMENTAL REVENUE</b>	<b>1,601.93</b>	<b>1,601.93</b>	<b>15,500.00</b>	<b>13,898.07</b>	<b>10.3</b>
<u>SOURCE 34</u>					
41-34-801 FD ASSIST PERCAPITA GRANT	.00	.00	14,700.00	14,700.00	.0
41-34-802 FD BEMS GRANT	4,454.00	4,454.00	4,500.00	46.00	99.0
<b>TOTAL SOURCE 34</b>	<b>4,454.00</b>	<b>4,454.00</b>	<b>19,200.00</b>	<b>14,746.00</b>	<b>23.2</b>
<u>SOURCE 36</u>					
41-36-800 LOCAL PARTICIPATION MATCH	.00	.00	22,500.00	22,500.00	.0
41-36-801 USDA PSAP DISPATCH GRANT	.00	.00	27,500.00	27,500.00	.0
<b>TOTAL SOURCE 36</b>	<b>.00</b>	<b>.00</b>	<b>50,000.00</b>	<b>50,000.00</b>	<b>.0</b>
<u>SOURCE 37</u>					
41-37-411 INTEREST	199.01	199.01	.00	( 199.01)	.0
<b>TOTAL SOURCE 37</b>	<b>199.01</b>	<b>199.01</b>	<b>.00</b>	<b>( 199.01)</b>	<b>.0</b>
<b>TOTAL FUND REVENUE</b>	<b>6,254.94</b>	<b>6,254.94</b>	<b>84,700.00</b>	<b>78,445.06</b>	<b>7.4</b>

CITY OF HILDALE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

HILDALE CITY GRANTS

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>POLICE GRANTS/LOANS/ALLOTMENTS</u>					
41-43-212	.00	.00	2,000.00	2,000.00	.0
41-43-702	.00	.00	6,000.00	6,000.00	.0
41-43-703	.00	.00	7,500.00	7,500.00	.0
TOTAL POLICE GRANTS/LOANS/ALLOTMEN	.00	.00	15,500.00	15,500.00	.0
<u>FIRE GRANTS/LOANS/ALLOTMENTS</u>					
41-44-220	1,156.09	1,156.09	14,700.00	13,543.91	7.9
41-44-250	4,389.50	4,389.50	4,500.00	110.50	97.5
TOTAL FIRE GRANTS/LOANS/ALLOTMENTS	5,545.59	5,545.59	19,200.00	13,654.41	28.9
<u>PSAP GRANTS/LOANS/ALLOTMENTS</u>					
41-46-700	.00	.00	50,000.00	50,000.00	.0
TOTAL PSAP GRANTS/LOANS/ALLOTMENTS	.00	.00	50,000.00	50,000.00	.0
TOTAL FUND EXPENDITURES	5,545.59	5,545.59	84,700.00	79,154.41	6.6
NET REVENUE OVER EXPENDITURES	709.35	709.35	.00	( 709.35)	.0

CITY OF HILDALE  
REVENUES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

CAPITAL PROJECTS FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>SOURCE 31</u>					
45-31-800 CAP PROJ TRANS ADMIN DEPT	.00	.00	12,000.00	12,000.00	.0
TOTAL SOURCE 31	.00	.00	12,000.00	12,000.00	.0
<u>SOURCE 32</u>					
45-32-800 CAP PROJ TRANS JUSTICE COURT	.00	.00	300.00	300.00	.0
TOTAL SOURCE 32	.00	.00	300.00	300.00	.0
<u>CAPITAL PROJ. REV. TRANSFERS</u>					
45-33-800 CAP PROJ TRANS POLICE DEPT	.00	.00	25,000.00	25,000.00	.0
TOTAL CAPITAL PROJ. REV. TRANSFERS	.00	.00	25,000.00	25,000.00	.0
<u>SOURCE 35</u>					
45-35-800 CAP PROJ TRANS BUILDING DEPT	.00	.00	2,400.00	2,400.00	.0
TOTAL SOURCE 35	.00	.00	2,400.00	2,400.00	.0
<u>SOURCE 37</u>					
45-37-800 CAP PROJ TRANS STREETS & ROADS	( 1,777.77)	( 1,777.77)	372,000.00	373,777.77	( .5)
TOTAL SOURCE 37	( 1,777.77)	( 1,777.77)	372,000.00	373,777.77	( .5)
<u>SOURCE 38</u>					
45-38-800 CAP PROJ TRANS PARKS DEPT	.00	.00	80,000.00	80,000.00	.0
TOTAL SOURCE 38	.00	.00	80,000.00	80,000.00	.0
TOTAL FUND REVENUE	( 1,777.77)	( 1,777.77)	491,700.00	493,477.77	( .4)

CITY OF HILDALE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

CAPITAL PROJECTS FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>CAP PROJECTS ADMIN DEPT</u>					
45-41-990 APPROPRIATION FOR FUND BALANCE	.00	.00	12,000.00	12,000.00	.0
TOTAL CAP PROJECTS ADMIN DEPT	.00	.00	12,000.00	12,000.00	.0
<u>CAP PROJECTS JUSTICE COURT</u>					
45-42-990 APPROPRIATION FOR FUND BALANCE	.00	.00	300.00	300.00	.0
TOTAL CAP PROJECTS JUSTICE COURT	.00	.00	300.00	300.00	.0
<u>CAP PROJECTS POLICE DEPT.</u>					
45-43-720 BUILDINGS - POLICE DEPARTMENT	.00	.00	25,000.00	25,000.00	.0
TOTAL CAP PROJECTS POLICE DEPT.	.00	.00	25,000.00	25,000.00	.0
<u>CAP PROJECTS BUILDING DEPT.</u>					
45-45-742 GENERAL PLANNING - COMMUNITY D	.00	.00	25,000.00	25,000.00	.0
45-45-990 APPROPRIATION FOR FUND BALANCE	.00	.00	37,400.00	37,400.00	.0
TOTAL CAP PROJECTS BUILDING DEPT.	.00	.00	62,400.00	62,400.00	.0
<u>CAP PROJECTS STREETS &amp; ROADS</u>					
45-47-730 SYSTEM & INFRASTRUCTURE IMP	.00	.00	180,000.00	180,000.00	.0
45-47-990 APPROPRIATION FOR FUND BALANCE	.00	.00	192,000.00	192,000.00	.0
TOTAL CAP PROJECTS STREETS & ROADS	.00	.00	372,000.00	372,000.00	.0
<u>CAP PROJECTS PARKS DEPT.</u>					
45-48-990 APPROPRIATION FOR FUND BALANCE	.00	.00	20,000.00	20,000.00	.0
TOTAL CAP PROJECTS PARKS DEPT.	.00	.00	20,000.00	20,000.00	.0
TOTAL FUND EXPENDITURES	.00	.00	491,700.00	491,700.00	.0
NET REVENUE OVER EXPENDITURES	( 1,777.77)	( 1,777.77)	.00	1,777.77	.0

CITY OF HILDALE  
 REVENUES WITH COMPARISON TO BUDGET  
 FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

2017 JUDGMENT RESOLUTION FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>REVENUES</u>					
63-38-101 TRANSFER FROM GENERAL FUND	4,024.94	4,024.94	40,000.00	35,975.06	10.1
63-38-102 TRANSFER FROM WATER FUND	1,341.65	1,341.65	13,600.00	12,258.35	9.9
63-38-103 TRANSFER FROM WASTEWATER	1,341.65	1,341.65	13,300.00	11,958.35	10.1
63-38-105 TRANSFER FROM GAS FUND	1,341.65	1,341.65	13,600.00	12,258.35	9.9
TOTAL REVENUES	8,049.89	8,049.89	80,500.00	72,450.11	10.0
TOTAL FUND REVENUE	8,049.89	8,049.89	80,500.00	72,450.11	10.0

CITY OF HILDALE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

2017 JUDGMENT RESOLUTION FUND

	<u>PERIOD ACTUAL</u>	<u>YTD ACTUAL</u>	<u>BUDGET</u>	<u>UNEXPENDED</u>	<u>PCNT</u>
<u>EXPENDITURES</u>					
63-41-310 PROFESSIONAL & TECHNICAL	18,256.97	18,256.97	60,500.00	42,243.03	30.2
63-41-315 LEGAL - GENERAL	.00	.00	20,000.00	20,000.00	.0
TOTAL EXPENDITURES	<u>18,256.97</u>	<u>18,256.97</u>	<u>80,500.00</u>	<u>62,243.03</u>	<u>22.7</u>
TOTAL FUND EXPENDITURES	<u>18,256.97</u>	<u>18,256.97</u>	<u>80,500.00</u>	<u>62,243.03</u>	<u>22.7</u>
NET REVENUE OVER EXPENDITURES	<u>( 10,207.08)</u>	<u>( 10,207.08)</u>	<u>.00</u>	<u>10,207.08</u>	<u>.0</u>

CITY OF HILDALE  
 REVENUES WITH COMPARISON TO BUDGET  
 FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

LITIGATION DEFENSE FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>REVENUES</u>					
64-38-101 TRANSFER FROM GENERAL FUND	3,133.32	3,133.32	17,900.00	14,766.68	17.5
64-38-102 TRANSFER FROM WATER FUND	3,133.34	3,133.34	17,900.00	14,766.66	17.5
64-38-103 TRANSFER FROM WASTEWATER	3,133.34	3,133.34	17,900.00	14,766.66	17.5
64-38-105 TRANSFER FROM GAS FUND	3,133.34	3,133.34	17,900.00	14,766.66	17.5
TOTAL REVENUES	12,533.34	12,533.34	71,600.00	59,066.66	17.5
TOTAL FUND REVENUE	12,533.34	12,533.34	71,600.00	59,066.66	17.5

CITY OF HILDALE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

LITIGATION DEFENSE FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>EXPENDITURES</u>					
64-41-230 TRAVEL	.00	.00	2,700.00	2,700.00	.0
64-41-250 EQUIPMENT SUPPLIES & MAINT	116.84	116.84	.00	( 116.84)	.0
64-41-316 LEGAL - LITIGATION DEFENSE	.00	.00	68,900.00	68,900.00	.0
64-41-911 JUDGMENTS AND LOSSES	31,333.35	31,333.35	.00	( 31,333.35)	.0
TOTAL EXPENDITURES	31,450.19	31,450.19	71,600.00	40,149.81	43.9
TOTAL FUND EXPENDITURES	31,450.19	31,450.19	71,600.00	40,149.81	43.9
NET REVENUE OVER EXPENDITURES	( 18,916.85)	( 18,916.85)	.00	18,916.85	.0



CITY OF HILDALE  
 REVENUES WITH COMPARISON TO BUDGET  
 FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

JOINT ADMINISTRATION FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>REVENUES</u>					
65-38-102 TRANSFER FROM WATER FUND	105,053.38	105,053.38	305,130.00	200,076.62	34.4
65-38-103 TRANSFER FROM WASTEWATER	97,549.59	97,549.59	403,232.00	305,682.41	24.2
65-38-105 TRANSFER FROM GAS FUND	37,519.07	37,519.07	312,802.00	275,282.93	12.0
65-38-900 SUNDRY REVENUES	9,353.50	9,353.50	.00	( 9,353.50)	.0
TOTAL REVENUES	249,475.54	249,475.54	1,021,164.00	771,688.46	24.4
TOTAL FUND REVENUE	249,475.54	249,475.54	1,021,164.00	771,688.46	24.4

CITY OF HILDALE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

JOINT ADMINISTRATION FUND

EXPENDITURES	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
65-41-110 SALARIES-PERMANENT EMPLOYEES	188,127.08	188,127.08	445,568.00	257,440.92	42.2
65-41-117 ATTORNEY SALARY	.00	.00	40,000.00	40,000.00	.0
65-41-130 PAYROLL TAXES	33,728.52	33,728.52	46,294.00	12,565.48	72.9
65-41-140 BENEFITS-OTHER	47,821.47	47,821.47	100,470.00	52,648.53	47.6
65-41-144 PRINT AND POSTAGE	258.47	258.47	10,000.00	9,741.53	2.6
65-41-150 STIPENDS - UTILITY BOARD	6,100.00	6,100.00	11,700.00	5,600.00	52.1
65-41-160 MERCHANT PROCESSING	8,501.26	8,501.26	30,000.00	21,498.74	28.3
65-41-165 CAPITAL BUILDING	.00	.00	2,000.00	2,000.00	.0
65-41-170 CAPITAL EQUIPMENT	.00	.00	3,000.00	3,000.00	.0
65-41-175 CAPITAL RESERVES PURCHASES	.00	.00	12,000.00	12,000.00	.0
65-41-230 TRAVEL	175.06	175.06	.00	( 175.06)	.0
65-41-235 FOOD & REFRESHMENT	996.41	996.41	6,000.00	5,003.59	16.6
65-41-240 OFFICE EXPENSE & SUPPLIES	735.87	735.87	.00	( 735.87)	.0
65-41-250 EQUIPMENT SUPPLIES & MAINT	11,902.61	11,902.61	26,500.00	14,597.39	44.9
65-41-257 FUEL	11,702.17	11,702.17	28,000.00	16,297.83	41.8
65-41-260 TOOLS & EQUIPMENT-NON CAPITAL	11,215.34	11,215.34	26,000.00	14,784.66	43.1
65-41-271 MAINT & SUPPLY - OFFICE	1,932.28	1,932.28	4,000.00	2,067.72	48.3
65-41-280 UTILITIES	7,364.54	7,364.54	14,000.00	6,635.46	52.6
65-41-285 POWER	3,000.26	3,000.26	12,900.00	9,899.74	23.3
65-41-310 PROFESSIONAL & TECHNICAL	11,171.23	11,171.23	25,300.00	14,128.77	44.2
65-41-313 AUDITOR	20,750.00	20,750.00	25,000.00	4,250.00	83.0
65-41-315 LEGAL - GENERAL	.00	.00	5,000.00	5,000.00	.0
65-41-317 INFORMATION TECHNOLOGY - CONS	3,273.07	3,273.07	.00	( 3,273.07)	.0
65-41-319 INFORMATION TECHNOLOGY - SYSTE	19.75	19.75	.00	( 19.75)	.0
65-41-330 EDUCATION	796.00	796.00	9,000.00	8,204.00	8.8
65-41-510 INSURANCE	59,356.70	59,356.70	130,000.00	70,643.30	45.7
65-41-720 BUILDINGS	547.97	547.97	10,000.00	9,452.03	5.5
65-41-741 EQUIPMENT - OFFICE	.00	.00	3,200.00	3,200.00	.0
65-41-850 DEBT SERVICE - VEHICLE & EQUIP	15,757.04	15,757.04	11,000.00	( 4,757.04)	143.3
65-41-900 AUTOMATIC PAYMENT INCENTIVE	.00	.00	3,000.00	3,000.00	.0
65-41-901 SURVEY INCENTIVE PROGRAM	( 200.00)	( 200.00)	11,000.00	11,200.00	( 1.8)
65-41-960 TRANSFERS TO RESERVE FUNDS	.00	.00	27,000.00	27,000.00	.0
<b>TOTAL EXPENDITURES</b>	<b>445,033.10</b>	<b>445,033.10</b>	<b>1,077,932.00</b>	<b>632,898.90</b>	<b>41.3</b>
<b>TOTAL FUND EXPENDITURES</b>	<b>445,033.10</b>	<b>445,033.10</b>	<b>1,077,932.00</b>	<b>632,898.90</b>	<b>41.3</b>
<b>NET REVENUE OVER EXPENDITURES</b>	<b>( 195,557.56)</b>	<b>( 195,557.56)</b>	<b>( 56,768.00)</b>	<b>138,789.56</b>	<b>(344.5)</b>

CITY OF HILDALE  
REVENUES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

WATER FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATING REVENUES</u>					
81-37-111 WATER SALES - METERED	237,629.94	237,629.94	247,279.00	9,649.06	96.1
81-37-121 WATER SALES - FLAT RATE	216,111.96	216,111.96	327,651.00	111,539.04	66.0
81-37-331 CONNECTION CHARGES	13,545.00	13,545.00	25,000.00	11,455.00	54.2
81-37-332 CONSTRUCTION	10,962.87	10,962.87	62,400.00	51,437.13	17.6
81-37-411 INTEREST	5,603.26	5,603.26	3,600.00	( 2,003.26)	155.7
81-37-412 PENALTIES	120,150.05	120,150.05	50,000.00	( 70,150.05)	240.3
<b>TOTAL OPERATING REVENUES</b>	<b>604,003.08</b>	<b>604,003.08</b>	<b>715,930.00</b>	<b>111,926.92</b>	<b>84.4</b>
<u>NON-OPERATING REVENUE</u>					
81-38-440 SUNDRY NON-OPERATING REVENUE	.00	.00	5,000.00	5,000.00	.0
81-38-450 TRANSFERS FROM R&R RESERVES	.00	.00	150,000.00	150,000.00	.0
81-38-999 CONTINGENCY	.00	.00	200,000.00	200,000.00	.0
<b>TOTAL NON-OPERATING REVENUE</b>	<b>.00</b>	<b>.00</b>	<b>355,000.00</b>	<b>355,000.00</b>	<b>.0</b>
<b>TOTAL FUND REVENUE</b>	<b>604,003.08</b>	<b>604,003.08</b>	<b>1,070,930.00</b>	<b>466,926.92</b>	<b>56.4</b>

CITY OF HILDALE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

WATER FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATING EXPENDITURES</u>					
81-41-210 BOOKS, SUBSCR, & MEMBERSHIPS	100.00	100.00	1,500.00	1,400.00	6.7
81-41-230 TRAVEL	3,005.89	3,005.89	4,600.00	1,594.11	65.4
81-41-235 FOOD & REFRESHMENT	31.53	31.53	600.00	568.47	5.3
81-41-250 EQUIPMENT SUPPLIES & MAINT	.00	.00	16,000.00	16,000.00	.0
81-41-257 FUEL	27.03	27.03	200.00	172.97	13.5
81-41-260 TOOLS & EQUIPMENT-NON CAPITAL	154.78	154.78	5,000.00	4,845.22	3.1
81-41-273 MAINT & SUPPLY - SYSTEM	18,810.77	18,810.77	58,000.00	39,189.23	32.4
81-41-285 POWER	73,269.01	73,269.01	80,000.00	6,730.99	91.6
81-41-311 ENGINEER	14,966.25	14,966.25	5,000.00	( 9,966.25)	299.3
81-41-314 LABORATORY & TESTING	6,233.00	6,233.00	8,000.00	1,767.00	77.9
81-41-315 LEGAL - GENERAL	.00	.00	1,000.00	1,000.00	.0
81-41-330 EDUCATION	.00	.00	4,000.00	4,000.00	.0
81-41-340 SYSTEM CONSTRUCTION SERVICES	580.00	580.00	2,000.00	1,420.00	29.0
81-41-341 CONST-CUSTOMER'S INSTALLATION	9,437.49	9,437.49	62,400.00	52,962.51	15.1
81-41-432 SPECIAL DEPT SUPPLIES	4,467.18	4,467.18	18,500.00	14,032.82	24.2
81-41-434 2019 WATER GRANT	62,201.57	62,201.57	.00	( 62,201.57)	.0
81-41-580 RENT OR LEASE	1,180.84	1,180.84	.00	( 1,180.84)	.0
<b>TOTAL OPERATING EXPENDITURES</b>	<b>194,465.34</b>	<b>194,465.34</b>	<b>266,800.00</b>	<b>72,334.66</b>	<b>72.9</b>
<u>NON-OPERATING EXPENDITURES</u>					
81-42-560 BAD DEBT EXPENSE	.00	.00	2,000.00	2,000.00	.0
81-42-730 IMPROVEMENTS OTHER THAN BLDGS	.00	.00	2,200.00	2,200.00	.0
81-42-742 EQUIPMENT - FIELD	.00	.00	2,500.00	2,500.00	.0
81-42-755 AZ STATE TAX SETTLEMENT	150,000.00	150,000.00	150,000.00	.00	100.0
81-42-780 RESERVE PURCHASES	7,484.69	7,484.69	.00	( 7,484.69)	.0
81-42-815 PRINC. & INT W.RIGHTS LOAN	.00	.00	41,300.00	41,300.00	.0
81-42-911 TRANSFERS TO JOINT ADMIN FUND	105,053.38	105,053.38	305,130.00	200,076.62	34.4
81-42-912 TRANSFERS TO LITIGATION	3,133.34	3,133.34	17,900.00	14,766.66	17.5
81-42-914 TRANSFERS TO 2017 JMT RES FUND	1,341.65	1,341.65	13,300.00	11,958.35	10.1
81-42-960 TRANSFERS TO RESERVE FUNDS	.00	.00	69,800.00	69,800.00	.0
81-42-999 CONTINGENCY	.00	.00	200,000.00	200,000.00	.0
<b>TOTAL NON-OPERATING EXPENDITURES</b>	<b>267,013.06</b>	<b>267,013.06</b>	<b>804,130.00</b>	<b>537,116.94</b>	<b>33.2</b>
<b>TOTAL FUND EXPENDITURES</b>	<b>461,478.40</b>	<b>461,478.40</b>	<b>1,070,930.00</b>	<b>609,451.60</b>	<b>43.1</b>
<b>NET REVENUE OVER EXPENDITURES</b>	<b>142,524.68</b>	<b>142,524.68</b>	<b>.00</b>	<b>( 142,524.68)</b>	<b>.0</b>

CITY OF HILDALE  
REVENUES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

WASTEWATER FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATING REVENUES</u>					
82-37-311 SERVICE CHARGES	406,331.81	406,331.81	640,265.00	233,933.19	63.5
82-37-312 SERVICE CHARGES - CPMCWID	92,516.09	92,516.09	145,000.00	52,483.91	63.8
82-37-331 CONNECTION CHARGES	( 2,320.00)	( 2,320.00)	10,000.00	12,320.00	( 23.2)
82-37-332 SERVICING CUSTOMER INSTALL	5,016.88	5,016.88	20,000.00	14,983.12	25.1
82-37-411 INTEREST	11,322.13	11,322.13	4,500.00	( 6,822.13)	251.6
82-37-440 SUNDRY NON-OPERATING REVENUE	1,000.00	1,000.00	.00	( 1,000.00)	.0
82-37-451 IMPACT FEE	.00	.00	10,000.00	10,000.00	.0
82-37-452 IMPACT FEE - CPMCWID	45,950.00	45,950.00	10,000.00	( 35,950.00)	459.5
<b>TOTAL OPERATING REVENUES</b>	<b>559,816.91</b>	<b>559,816.91</b>	<b>839,765.00</b>	<b>279,948.09</b>	<b>66.7</b>
<u>NON-OPERATING REVENUES</u>					
82-38-102 TRANSFERS FROM R&R RESERVE	.00	.00	55,000.00	55,000.00	.0
82-38-999 CONTINGENCY	.00	.00	200,000.00	200,000.00	.0
<b>TOTAL NON-OPERATING REVENUES</b>	<b>.00</b>	<b>.00</b>	<b>255,000.00</b>	<b>255,000.00</b>	<b>.0</b>
<b>TOTAL FUND REVENUE</b>	<b>559,816.91</b>	<b>559,816.91</b>	<b>1,094,765.00</b>	<b>534,948.09</b>	<b>51.1</b>

CITY OF HILDALE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

WASTEWATER FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATING EXPENDITURES</u>					
82-41-210 BOOKS, SUBSCR, & MEMBERSHIPS	.00	.00	500.00	500.00	.0
82-41-230 TRAVEL	1,352.59	1,352.59	4,600.00	3,247.41	29.4
82-41-250 EQUIPMENT SUPPLIES & MAINT	924.35	924.35	8,000.00	7,075.65	11.6
82-41-257 FUEL	801.96	801.96	2,500.00	1,698.04	32.1
82-41-260 TOOLS & EQUIPMENT-NON CAPITAL	1,413.94	1,413.94	7,000.00	5,586.06	20.2
82-41-273 MAINTENANCE & SUPPLY - SYSTEM	20,292.02	20,292.02	55,000.00	34,707.98	36.9
82-41-285 POWER	10,550.03	10,550.03	36,000.00	25,449.97	29.3
82-41-311 ENGINEER	.00	.00	500.00	500.00	.0
82-41-314 LABORATORY & TESTING	.00	.00	1,500.00	1,500.00	.0
82-41-315 LEGAL - GENERAL	.00	.00	1,000.00	1,000.00	.0
82-41-330 EDUCATION	.00	.00	5,000.00	5,000.00	.0
82-41-340 SYSTEM CONSTRUCTION SERVICES	.00	.00	5,000.00	5,000.00	.0
82-41-341 CONST-CUSTOMER'S INSTALLATION	214.50	214.50	20,000.00	19,785.50	1.1
<b>TOTAL OPERATING EXPENDITURES</b>	<b>35,549.39</b>	<b>35,549.39</b>	<b>146,600.00</b>	<b>111,050.61</b>	<b>24.3</b>
<u>NON-OPERATING EXPENSES</u>					
82-42-560 BAD DEBT EXPENSE	.00	.00	1,500.00	1,500.00	.0
82-42-720 BUILDINGS	.00	.00	5,000.00	5,000.00	.0
82-42-742 EQUIPMENT - FIELD	.00	.00	5,400.00	5,400.00	.0
82-42-780 RESERVE PURCHASES	5,381.56	5,381.56	55,000.00	49,618.44	9.8
82-42-812 PRINCIPAL ON BONDS - RDA B	23,310.78	23,310.78	33,500.00	10,189.22	69.6
82-42-813 PRINCIPAL ON BONDS - RDA - C	3,448.41	3,448.41	6,400.00	2,951.59	53.9
82-42-816 PRINCIPAL ON BONDS - DWQ	.00	.00	80,000.00	80,000.00	.0
82-42-822 INTEREST ON BONDS - RDA - B	28,073.22	28,073.22	69,300.00	41,226.78	40.5
82-42-823 INTEREST ON BONDS - RDA - C	6,271.59	6,271.59	13,100.00	6,828.41	47.9
82-42-911 TRANSFERS TO JOINT ADMIN FUND	97,549.59	97,549.59	460,000.00	362,450.41	21.2
82-42-912 TRANSFERS TO LITIGATION	3,133.34	3,133.34	17,900.00	14,766.66	17.5
82-42-914 TRANSFERS TO 2017 JMT RES FUND	1,341.65	1,341.65	13,300.00	11,958.35	10.1
82-42-960 TRANSFERS TO RESERVE FUNDS	.00	.00	92,900.00	92,900.00	.0
82-42-999 CONTINGENCY	.00	.00	200,000.00	200,000.00	.0
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>168,510.14</b>	<b>168,510.14</b>	<b>1,053,300.00</b>	<b>884,789.86</b>	<b>16.0</b>
<b>TOTAL FUND EXPENDITURES</b>	<b>204,059.53</b>	<b>204,059.53</b>	<b>1,199,900.00</b>	<b>995,840.47</b>	<b>17.0</b>
<b>NET REVENUE OVER EXPENDITURES</b>	<b>355,757.38</b>	<b>355,757.38</b>	<b>( 105,135.00)</b>	<b>( 460,892.38)</b>	<b>338.4</b>

CITY OF HILDALE  
REVENUES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

GAS FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATING REVENUES</u>					
84-37-111 GAS SALES - METERED NAT GAS	134,137.99	134,137.99	150,000.00	15,862.01	89.4
84-37-112 GAS SALES - METERED PROPANE	252,842.76	252,842.76	379,874.00	127,031.24	66.6
84-37-113 GAS SALES - CYLINDER	2,180.63	2,180.63	10,600.00	8,419.37	20.6
84-37-114 GAS SALES - CYLINDER EXCHANGE	1,040.54	1,040.54	3,500.00	2,459.46	29.7
84-37-121 NATURAL GAS SALES - FLAT RATE	17,028.26	17,028.26	25,000.00	7,971.74	68.1
84-37-122 PROPANE GAS - FLAT RATE	22,353.44	22,353.44	34,000.00	11,646.56	65.8
84-37-160 CONSTRUCTION REVENUE	12,622.86	12,622.86	125,000.00	112,377.14	10.1
84-37-331 CONNECTION CHARGES	4,535.00	4,535.00	5,000.00	465.00	90.7
84-37-351 SUNDRY OPERATING REVENUE	.00	.00	47,000.00	47,000.00	.0
84-37-411 INTEREST	7,237.49	7,237.49	3,500.00	( 3,737.49)	206.8
84-37-412 PENALTIES	60,616.11	60,616.11	25,000.00	( 35,616.11)	242.5
<b>TOTAL OPERATING REVENUES</b>	<b>514,595.08</b>	<b>514,595.08</b>	<b>808,474.00</b>	<b>293,878.92</b>	<b>63.7</b>
<u>NON-OPERATING REVENUES</u>					
84-38-102 TRANSFERS FROM R&R RESERVE	.00	.00	180,000.00	180,000.00	.0
84-38-901 APPROP - UTILITY FUND BALANCE	.00	.00	22,000.00	22,000.00	.0
84-38-999 CONTINGENCY	.00	.00	200,000.00	200,000.00	.0
<b>TOTAL NON-OPERATING REVENUES</b>	<b>.00</b>	<b>.00</b>	<b>402,000.00</b>	<b>402,000.00</b>	<b>.0</b>
<b>TOTAL FUND REVENUE</b>	<b>514,595.08</b>	<b>514,595.08</b>	<b>1,210,474.00</b>	<b>695,878.92</b>	<b>42.5</b>

CITY OF HILDALE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

GAS FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATING EXPENDITURES</u>					
84-41-140	266.48	266.48	3,000.00	2,733.52	8.9
84-41-210	800.00	800.00	2,000.00	1,200.00	40.0
84-41-230	.00	.00	4,000.00	4,000.00	.0
84-41-250	479.45	479.45	5,000.00	4,520.55	9.6
84-41-257	673.36	673.36	1,500.00	826.64	44.9
84-41-260	2,367.66	2,367.66	5,000.00	2,632.34	47.4
84-41-273	6,514.85	6,514.85	11,700.00	5,185.15	55.7
84-41-280	100.00	100.00	.00	( 100.00)	.0
84-41-285	581.59	581.59	1,000.00	418.41	58.2
84-41-310	403.75	403.75	.00	( 403.75)	.0
84-41-330	3,202.38	3,202.38	8,000.00	4,797.62	40.0
84-41-341	12,548.82	12,548.82	125,000.00	112,451.18	10.0
84-41-431	( 5,045.63)	( 5,045.63)	65,000.00	70,045.63	( 7.8)
84-41-432	86,111.22	86,111.22	250,000.00	163,888.78	34.4
84-41-434	( 26,653.57)	( 26,653.57)	19,000.00	45,653.57	(140.3)
84-41-580	3,197.52	3,197.52	4,500.00	1,302.48	71.1
TOTAL OPERATING EXPENDITURES	85,547.88	85,547.88	504,700.00	419,152.12	17.0
<u>NON-OPERATING EXPENDITURES</u>					
84-42-560	.00	.00	600.00	600.00	.0
84-42-750	21,658.46	21,658.46	37,000.00	15,341.54	58.5
84-42-780	3,210.45	3,210.45	180,000.00	176,789.55	1.8
84-42-911	37,519.07	37,519.07	312,802.00	275,282.93	12.0
84-42-912	3,133.34	3,133.34	17,900.00	14,766.66	17.5
84-42-914	1,341.65	1,341.65	13,600.00	12,258.35	9.9
84-42-960	.00	.00	98,200.00	98,200.00	.0
84-42-999	.00	.00	200,000.00	200,000.00	.0
TOTAL NON-OPERATING EXPENDITURES	66,862.97	66,862.97	860,102.00	793,239.03	7.8
TOTAL FUND EXPENDITURES	152,410.85	152,410.85	1,364,802.00	1,212,391.15	11.2
NET REVENUE OVER EXPENDITURES	362,184.23	362,184.23	( 154,328.00)	( 516,512.23)	234.7



CITY OF HILDALE  
 REVENUES WITH COMPARISON TO BUDGET  
 FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

FUND 90

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATING REVENUES</u>					
90-37-111 FIBER SALES	.00	.00	5,000.00	5,000.00	.0
90-37-331 CONNECTION CHARGES	.00	.00	1,000.00	1,000.00	.0
90-37-332 CONSTRUCTION	.00	.00	10,000.00	10,000.00	.0
<b>TOTAL OPERATING REVENUES</b>	<b>.00</b>	<b>.00</b>	<b>16,000.00</b>	<b>16,000.00</b>	<b>.0</b>
<b>TOTAL FUND REVENUE</b>	<b>.00</b>	<b>.00</b>	<b>16,000.00</b>	<b>16,000.00</b>	<b>.0</b>

CITY OF HILDALE  
EXPENDITURES WITH COMPARISON TO BUDGET  
FOR THE 8 MONTHS ENDING FEBRUARY 29, 2020

		FUND 90				
		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
		-----	-----	-----	-----	-----
<u>OPERATING EXPENDITURES</u>						
90-41-260	TOOLS & EQUIPMENT-NON CAPITAL	3,757.30	3,757.30	.00	( 3,757.30)	.0
90-41-273	MAINT & SUPPLY SYSTEM	34.14	34.14	16,000.00	15,965.86	.2
90-41-580	RENT OR LEASE	400.00	400.00	.00	( 400.00)	.0
	TOTAL OPERATING EXPENDITURES	4,191.44	4,191.44	16,000.00	11,808.56	26.2
	TOTAL FUND EXPENDITURES	4,191.44	4,191.44	16,000.00	11,808.56	26.2
	NET REVENUE OVER EXPENDITURES	( 4,191.44)	( 4,191.44)	.00	4,191.44	.0



**HCC UTILITY DEPARTMENT**  
MAKING CONNECTIONS

**Director's Report**

**January 30<sup>th</sup>, 2020**

Hildale-Colorado City Utility Department  
320 East Newel Avenue, Hildale UT 84784

## Account Update

Number of accounts billed for December 2019:

Water base rate	879
Sewer	824
Gas base rate	680
Water Penalties	429
Gas Penalties	349

# of shut off notices printed December 15, 2019 218

# of final billed accounts with final bill date in December is 16

# of new connect accounts in November is 15

## Water Project Update

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We've received the preliminary report from Sunrise on the treatment option for our current Treatment System, and it's attached to your packet. We're meeting with Bowen and Collins next week on the results of their study. Once completed we'll begin meetings with the cities on how best to proceed with the results. In early discussions with our project engineers, they've identified at least five separate locations for possible exploitation of the Navajo Sandstone and Kayenta Water Formations.

## Safety Council, Culture and Competence

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This month's Safety Council convened on the topic of Traffic Control and the need to standardize and implement the Manual on Uniform Traffic Control Devices, share resources and enhance safety awareness. Nathan Fischer, the Department's Gas Superintendent, is also a Traffic Control Safety Supervisor, who will begin drafting a city-wide policy.

## Code Enforcement Officer

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The Department's staff has expressed support to the administrations for the establishment of a Code Enforcement Office, who's main purpose would be to advise compliance, investigate alleged violations, and issue enforcement actions if necessary.

The staff's view of code enforcement is as an official action towards compliance, and with the aim of supporting residents to become complaint as opposed to taking action and levying penalties.

## Earnings Report

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2018		2019	
Description	Totals	Description	Totals
MT-WTR Usage	10,489	MT-WTR Usage	12,074
MT-NGAS Usage	33,393	MT-NGAS Usage	47,957
MT-PRO Usage	22,069	MT-PRO Usage	61,778
LP Usage	12,537	LP Usage	14,202
Description	Totals	Description	Totals
PENALTY-W Amount	\$9,503.73	PENALTY-W Amount	15,002.31
PENALTY-G Amount	\$3,087.33	PENALTY-G Amount	21,017.08
BR-WTR Amount	\$30,424.53	BR-WTR Amount	30,666.82
MT-WTR Amount	\$13,835.70	MT-WTR Amount	16,198.60
MT-NGAS Amount	\$29,147.29	MT-NGAS Amount	41,852.51
BR-GAS Amount	\$5,469.05	BR-GAS Amount	4,527.67
SEWER Amount	\$71,187.24	SEWER Amount	71,828.07
MT-PRO Amount	\$36,167.79	MT-PRO Amount	45,779.68
LP Amount	\$23,144.14	DIST-MPRO Amount	6.63
CYL-EX Amount	\$312.66	LP Amount	23,225.90
		CYL-EX Amount	158.07
<b>Total Charges</b>	<b>\$222,279</b>	<b>Total Charges</b>	<b>\$ 270,263.34</b>





## COLLECTION SERVICE AGREEMENT

### A. PARTIES AND RECITALS

- a. This Agreement is entered into this 4th day of February, 2020 (Effective Date) between Ray Klein, Inc., doing business as Professional Credit Service, (Professional), a Washington Corporation, and the cities **Colorado City, Arizona and Hildale, Utah** (collectively the Client), pursuant to a joint Intergovernmental Cooperative Agreement for Utilities Systems Management, Operation, and Maintenance (Utility System Agreement) which allows the cities to act together as one entity for the operation and management of a joint Utility System, collectively "the Parties."
- b. Client is the owner, or represents the owner, of certain delinquent accounts that Client desires to collect, and Client wishes to retain the services of Professional for that purpose;
- c. Professional is a licensed collection agency; and
- d. In consideration of the mutual promises and for valuable consideration, the Parties hereby agree as follows:

### B. DEFINITIONS

- a. **ACCOUNTS:** Accounts receivable due and owing to Client.
- b. **ACKNOWLEDGMENT:** Written or electronic receipt of the Referral or Assignment of Client's Accounts to Professional.
- c. **ASSIGNMENT:** A transfer of Client's rights and interest in Accounts for collection or management under the terms of this Agreement
- d. **CLIENT TOOLS:** Professional's proprietary client web portal, which is used for listing and acknowledging Accounts, reporting payments, requesting cancellation and hold of Accounts, client remittance, and financial and recovery reporting.
- e. **CREDIT REPORTING AGENCY:** Agencies that engage in assembling and evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties.
- f. **REFERRAL:** A transfer of Accounts for collection or management to Professional as agent under the terms of this agreement.
- g. **CONFIDENTIAL INFORMATION:** All non-public information protected by law, contract, policy, as a trade secret or which is otherwise of value or proprietary to Client or Professional and shared with or learned by a Professional or Client to this Agreement while performing the requirements of this Agreement.

### C. RELATIONSHIP OF PARTIES

- a. **INDEPENDENT CONTRACTOR:** Professional shall perform under this Agreement as an independent contractor, not as an employee, agent or servant of Client, and nothing herein contained shall be construed to be inconsistent with this relationship or status. Professional acknowledges that its agents, employees, and servants are not entitled to benefit from Client as employees of Client.

### D. RESPONSIBILITIES OF PROFESSIONAL

- a. **GOOD FAITH:** Professional shall exercise due diligence and good faith in collection of assigned Accounts.
- b. **AGENCY CONDUCT & PROFESSIONALISM:** Professional shall work diligently to conduct its business in conformity with all state and federal laws pertaining to providing and maintaining collection agency functions. Professional shall maintain the highest standards of ethical

practice and professionalism. Professional shall make reasonable efforts to protect Client's image while performing collection activities.

- c. **LICENSES & BOND:** Professional has to its best knowledge obtained all licenses and permits required by law, has posted all bonds required by law, has complied with all laws and governmental regulations required of collection agencies and is a duly licensed.
- d. **ACCOUNT ACKNOWLEDGMENT:** Professional will Acknowledge Referral of account to Client via Client Tools or electronically in a mutually agreeable format. Professional reserves all discretion to accept Referrals.
- e. **CLIENT TOOLS ACCESS AND TRAINING:** Professional will provide access to and training for Client Tools for client to:
  - i. Administer Client user Accounts on Client Tools
  - ii. Communicate with Professional
  - iii. Upload and download electronic data between Client and Professional
  - iv. Upload new Accounts
  - v. Request Cancellation and holds on Accounts
  - vi. Report payments made directly to Client
  - vii. View real time Account and reporting Information
  - viii. View information regarding Accounts
- f. **TRUST REMITTANCE:** Professional shall remit to Client on a monthly basis, Client funds (net of monies owed to Professional) via Automatic Clearing House (ACH) payments into a Money Market or Demand Deposit account belonging to and designated by Client. Professional will provide remittance advice and notification electronically through Client Tools. Professional shall retain discretion of the posting order of monies on Client Account(s).
- g. **RECORD RETENTION & INSPECTION:** Professional shall to the best of its knowledge maintain records in reasonable accordance with generally accepted accounting principles and all laws and governmental regulations required of collection agencies. Professional shall make such records relating to the collection activity of Client's Accounts available to Client for audit or inspection and available to those parties authorized in writing by Client.
- h. **CREDIT REPORTING:** Professional reports consumer credit information to credit reporting agencies at the sole discretion of Professional. Client may request that Client Accounts listed with Professional not be reported to credit reporting agencies. Professional shall handle disputes and verification of debt in accordance with the requirements of Federal and state credit reporting laws and as required by credit reporting agencies.

### E. RESPONSIBILITIES OF CLIENT

- a. **ORGANIZATION:** Client represents that Client's name in Section A.a. is Client's legal name, and that Client is an Individual or duly registered business entity in the State listed Section A.a. Client shall notify Professional of material changes to Client's legal structure or name changes within a reasonable period of time.
- b. **ACCOUNT INFORMATION:** Client shall provide Professional with all account information necessary to accommodate collection functions. Client shall also promptly notify Professional of any payments or changes that affect the amount owed or nature of Accounts assigned to Professional.
- c. **DOCUMENTS:** For Professional to provide services, Client agrees to:
  - i. Provide terms and conditions (including but not limited to Account interest rates) of all Accounts and the documentation to support the terms and conditions, and
  - ii. Promptly provide updated copies of any updated terms and conditions.



- iii. Client warrants that the Account documents provided under this Agreement are accurate, legal, and the most current version of the terms and conditions for each Account.
- d. ACCOUNT VERIFICATION: Upon Acknowledging an Account, Client hereby warrants that Client reviewed each account prior to listing that Account with Professional, and that each Account is presently due, and that Client has taken no action prior to listing the Account which would impair the collection of the account.
- e. ACCOUNT ITEMIZATION, DOCUMENTATION AND WITNESSES: Client shall provide additional Account itemization, documentation, and witnesses as necessary for the purpose of verification and validation of debts and/or legal actions in pursuit of collecting Accounts. In the event Client is unable to locate and/or deliver necessary account itemization and/or documentation, Client shall provide as necessary an affidavit sufficient to support verification or validation of amount due and owing. Client shall promptly sign individual Account Assignments upon Professional's request, as necessary for Professional to collect Client's Accounts.
- f. PAYMENT OF INVOICES: Client shall remit to Professional all amounts owing within 30 days of the date of the invoice. Professional may deduct amounts owed over 30 days from any remittance due.
- g. AUTHORIZED REPRESENTATIVE: Client shall designate in Client Tools authorized representatives or agents that have authority to make decisions regarding Client Accounts. Client shall be responsible for updating authorized representatives.

#### F. MUTUAL RESPONSIBILITIES

- a. INDEMNIFICATION: Professional agrees to defend, indemnify and hold Client harmless against any and all losses, expenses, damages, claims, and actions, provided said claims and causes of action arise out of the collection efforts of Professional and those representing or acting on behalf of Professional. Client agrees to defend, indemnify, and hold Professional harmless against any and all losses, expenses, damages, claims, and actions, which arise out of the actions of Client, its directors, officers, members, managers, affiliates, partners, agents, servants, and employees.
- b. CONFIDENTIALITY: It is understood and agreed by Professional and Client that this Agreement is confidential. Professional and Client shall not, without written consent, unless required by law, divulge any part of this Agreement. This includes, without limitation, the commission rate and any other information that a reasonable person would expect to be held in confidence. Each Party agrees that neither it nor its staff will:
  - a) copy or remove any Confidential Information from the disclosing Party's premises;
  - b) use any Confidential Information for its benefit or the benefit of any third party without the disclosing Party's prior written consent.
- c. CONFIDENTIAL INFORMATION: Each Party will maintain the confidentiality of all Confidential Information and safeguard it against loss or disclosure. The Parties' obligations pursuant to this section shall survive termination of this Agreement. The Parties' rights for breach of this Section shall survive termination of this Agreement. In the event of a breach of this Section, the non-breaching party will be entitled to injunctive relief in addition to all other remedies provided for under this Agreement or available at law.
- d. NO SOLICITATION: During the term of this Agreement and continuing for a period of six (6) months thereafter, Client agrees not to knowingly solicit, employ or attempt to solicit or employ in any capacity, either directly or indirectly, any employee of Professional or otherwise directly or indirectly solicit or induce such person to leave his or her employment.

#### G. ASSIGNMENT OF ACCOUNTS

- a. EFFECTIVE DATE OF ASSIGNMENT: Referral of an account by Client to Professional shall become effective as an Assignment upon Acknowledgment.
- b. MASTER ASSIGNMENT AGREEMENT: Client will from time to time refer Accounts to Professional for collection. Upon Acknowledgment of such Referral the Account shall become effective as an Assignment of such Account as though a separate written Assignment had been executed and delivered assigning such Account by Client to Professional. Professional may request additional Assignment forms for business purposes and Client agrees to sign such Assignment forms that are consistent with this Agreement. For valuable consideration received under this Agreement, and subject to the Termination and Cancellation provisions of this Agreement, Client grants, assigns and transfers and sets over all of Client's rights, title and interest to the Accounts including but not limited to principal, interest, costs and fees to Professional, and authorizes Professional to enforce any of Client's rights to compromise and settle said debts within Professional's delegated authority, and to endorse and collect any money order, check or other instrument received in Client's name for payment for said debts.

#### H. COLLECTION AUTHORITY

- a. COLLECTION AUTHORITY: Professional shall have full power and authority to endorse and collect any check, money order, and other instrument in payment of any Accounts referred to Professional. Professional shall have authority to institute legal collection action on any Account assigned by Client and to bring such legal action in the name of Professional. Any agreement agreeing otherwise regarding a specific individual Account shall not invalidate the power and authority detailed in this section.
- b. FORWARD AUTHORITY: Professional may, at its discretion, forward Client Accounts to an external collection agent, agency, or attorney to enforce collection.

#### I. PAYMENTS

- a. FUNDS RECEIVED BY PROFESSIONAL: Professional shall deposit all funds collected on Client's behalf less amounts due to Professional by Client, into a dedicated client trust account. Professional shall remit monthly, via ACH, amount owed to Client.
- b. FUNDS RECEIVED BY CLIENT: Client shall promptly notify Professional of any monies paid directly to Client on any Account previously referred to Professional. For each such payment made directly to Client, Professional shall be authorized to retain and deduct from client trust remittance the applicable amount due.

#### J. COMPENSATION AND COSTS

- a. FULL COLLECTION SERVICE: A commission rate of twenty-five percent (25%) shall be paid to Professional for services rendered under this Agreement on principal payments received by either Professional or Client, with the exception of subsections b and c below.
- b. LEGAL & FORWARDING COLLECTION SERVICE:
  - i. A commission rate of thirty-five percent (35%) shall be paid to Professional on principal payments received on referred Accounts that Professional has filed a court action or has incurred legal expense.
  - ii. A commission rate of thirty-five percent (35%) shall be paid to Professional on principal payments received on referred Accounts that Professional has forwarded to a collection agent, agency, investigator, or attorney to enforce collection.
  - iii. A commission rate of thirty-five percent (35%) shall be paid to Professional on principal payments received on referred Accounts that result in participation in any court action, including but not limited to probate, a small estate, claims, or bankruptcy.



- c. **SECOND PLACEMENT ACCOUNTS:** A commission rate of twenty-five percent (25%) shall be paid to Professional on principal payments received by either Professional or Client on referred Accounts that have been previously referred by other collection agencies.
- d. **INTEREST:** Professional will share interest income seventy-five percent (75%) to Client and twenty-five percent (25%) to Professional on payments received by either Professional or Client on Full Collection Service Accounts. Professional shall retain all interest income on payments received by either Professional or Client on all other Accounts.
- e. **COSTS & LEGAL FEES:** Professional shall pay its own costs, court costs, and legal fees associated with the collection of Accounts pursuant to this Agreement. Professional shall retain all attorney fees, court costs, post-judgment interest and other fees expended in collection of Accounts.

**K. CANCELLATION POLICY:** Client shall have the right to cancel assignment of Accounts, at no expense to Client; provided, however, Accounts for which Professional has expended legal fees and costs cannot be cancelled until Client reimburses the amount of such legal fees and costs to Professional and Accounts into which a payment plan has been entered cannot be cancelled until Client pays a commission to Professional for the full amount of the payment plan.

**L. TERMINATION:** This Agreement shall be effective as of the date first shown above and continue in effect until March 1<sup>st</sup>, 2021. This contract may be renewed annually upon written agreement by both parties. If Professional breaches any provision of this Agreement and if such breach is not cured within a reasonable period after receiving written notice from Client specifying such breach in reasonable detail, Client shall have the right to terminate this Agreement by giving written notice. Either Party may terminate this Agreement by giving at least thirty (30) days prior written notice of intent to terminate and therefore cancel all Accounts with Professional; however, Accounts cancelled by Client are subject to the above Cancellation Policy in Section K.

**M. MISCELLANEOUS**

- a. **ENTIRE AGREEMENT:** This Agreement, including any attachments, constitutes the entire Agreement and supersedes all prior agreements and understandings, both written and oral, between Professional and Client with respect to the subject matter hereof. No modification of this Agreement shall be effective unless in writing and signed by the Parties or their respective successors and assignees, if any. A waiver of any provision of this Agreement must be signed by the Party against whom enforcement of that waiver is sought. No waiver of any right or obligation under this Agreement by any Party on any occasion shall be deemed to operate as a waiver on any other occasion.
- b. **SEVERABILITY:** It is understood, and agreed, by Professional and Client that if any part, term, or provision of this Agreement is held by the courts to be illegal or in conflict with any applicable law, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of Professional and Client shall be construed and enforced as if the Agreement did not contain the particular part, term, or provision held to be invalid.
- c. **TRANSFER:** The Parties' rights and responsibilities pursuant to this Agreement inure to each Party's successors and assigns.
- d. **GOVERNING LAW & VENUE:** This Agreement shall be governed and construed in accordance with the laws of the state of Washington, and the obligations, rights and remedies of the Parties hereunder shall be determined in accordance with the laws of the state of Washington. Professional and Client each irrevocably consent to the exclusive jurisdiction and venue of any state court within Clark County, Washington, in connection with any matter based upon or arising out of this Agreement or the matters contemplated herein.

e. **COUNTERPARTS:** This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed an original and all of which together shall constitute one of the same instrument.

f. **NOTICES:** Notices by Professional and Client about this Agreement must be in writing and personally delivered or sent by certified mail, postage prepaid, return receipt requested, to the following addresses:

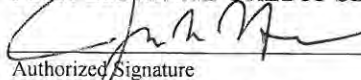
To Professional: Professional Credit Service General Counsel 400 International Way Ste., 250 Springfield, OR	To Client: Colorado City, AZ and Hildale, UT Attn: Harrison Johnson PO Box 840490 Hildale, UT 84784
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g. **COURT COSTS & EXPENSES:** The prevailing Party shall be entitled to reasonable attorney fees and court costs incurred by reason of enforcing any of the provisions of this Agreement at trial and on appeal. In the event Professional is required to enforce collection of amounts owing from Client, Professional will be entitled to a collection fee of twenty-five percent (25%) in addition to delinquent amounts owing.

h. **SECTION HEADINGS:** Section headings are for convenient reference only and will not affect the meaning or interpretation of any provisions of this Agreement.

i. **AUTHORITY:** The individuals executing this Agreement represent and warrant that they are authorized to execute this Agreement on behalf of the Parties hereto.

**PROFESSIONAL CREDIT SERVICE**

  
Authorized Signature

2/4/2020  
Date

Joseph Hawes, CEO  
Print Name & Title

**COLORADO CITY, ARIZONA**

Authorized Signature

Date

Print Name & Title

**HILDALE, UT**

Authorized Signature

Date

Print Name & Title

**HILDALE CITY ORDINANCE No. 2020-001**

**AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF HILDALE, UTAH,  
ADOPTING AMENDMENTS TO HILDALE CITY CURFEW ORDINANCE.**

**WHEREAS**, establishment of a curfew is a proper exercise of the police power of cities;

**WHEREAS**, Section 130-154 of the Hildale City Code of Ordinances has heretofore established a curfew of 9:30 p.m.;

**WHEREAS**, it has become common in the State of Utah for local governments to have a midnight curfew; and

**WHEREAS**, the City Council finds that a midnight curfew will promote the general welfare, and desires now to also adopt a midnight curfew for Hildale City.

**NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF HILDALE, UTAH:**

**Section 1.** Section 130-154 of the Hildale City Code of Ordinances is hereby amended as follows:

Sec. 130-154. - Curfew specifications.

It is unlawful for any person under 18 years of age (hereafter referred to as a "minor") to idle or loiter upon the streets or public places of the town between the hours of ~~9:30 p.m.~~ **12:00 a.m.** and 5:00 a.m.. It is unlawful for any parent, guardian or other adult person having the care and custody of such minor to encourage or allow such minor to idle or loiter upon the streets or public place between the hours specified in this section unless accompanied by such parent or guardian. It shall be a defense to prosecution under this section that the minor was:

- (1) Accompanied by the minor's parent or guardian;
- (2) On an errand at the direction of the minor's parent or guardian, without any detour or stop;
- (3) In a motor vehicle involved in interstate travel;
- (4) Engaged in an employment activity, or going to or returning home from an employment activity, without any detour or stop;
- (5) Involved in an emergency errand;
- (6) Attending an official school, religious or recreational activity supervised by adults and sponsored by a governmental, educational or religious institution, civic organization or other similar entity that takes responsibility for the minor; or going to or returning home from, without any detour or stop, any such official government, school, religious or recreational activity supervised by adults and sponsored by a governmental, educational or religious institution, civic organization or other similar entity that takes responsibility for the minor;
- (7) Exercising First Amendment rights protected by the United States Constitution, such as the free exercise of religion, freedom of speech, and the right of assembly; or
- (8) Married or had been married or had disabilities of minority removed in accordance with law.

HILDALE CITY ORDINANCE No. 2020-001

**Section 2.** This ordinance shall become effective immediately after publication or posting as required by law.

**PASSED AND ADOPTED BY THE HILDALE CITY COUNCIL, STATE OF UTAH, ON THIS 12TH DAY OF FEBRUARY 2020.**

		YES	NO	ABSTAIN	ABSENT
Lawrence Barlow	Council Member				
Stacy Seay	Council Member				
Jared Nicol	Council Member				
JVar Dutson	Council Member				
Maha Layton	Council Member				

\_\_\_\_\_  
Donia Jessop, Mayor

Attest:

\_\_\_\_\_  
(seal)  
City Recorder



📞 435-874-2323

📠 435-874-2603

🌐 [www.hildalecity.com](http://www.hildalecity.com)

## MEMORANDUM

**To:** Hildale City Council and Mayor  
**From:** Christian Kesselring, Acting Hildale City Manager  
**Date:** February 11, 2020  
**Subject:** Proposal for Stop Sign at Newel & Memorial

---

In the Council's January 29, 2020 work meeting, a member of the public voiced a concern about the hazards posed by having only a 2-way stop at the intersection of Newel Avenue and Memorial Street.

The area is residential with a 25mph speed limit, but because Memorial Street connects with Utah Avenue and is adjacent to multiple businesses, traffic is often traveling at unsafe speeds. Compounding the problem is that there are usually quite a few cars parked on Memorial Street, reducing visibility to cross traffic. The commenting resident pointed out that these conditions pose a significant danger to children playing in the area and walking to and from school.

After examining the issue, staff has concluded that it would be possible to add two stop signs – one in each direction – on Memorial Street, making the intersection a 4-way stop. There are signs available in Public Works to install there, but the City would have to purchase an "All Way Stop" sign to add to each side. The likely cost of materials and installation is around \$100.

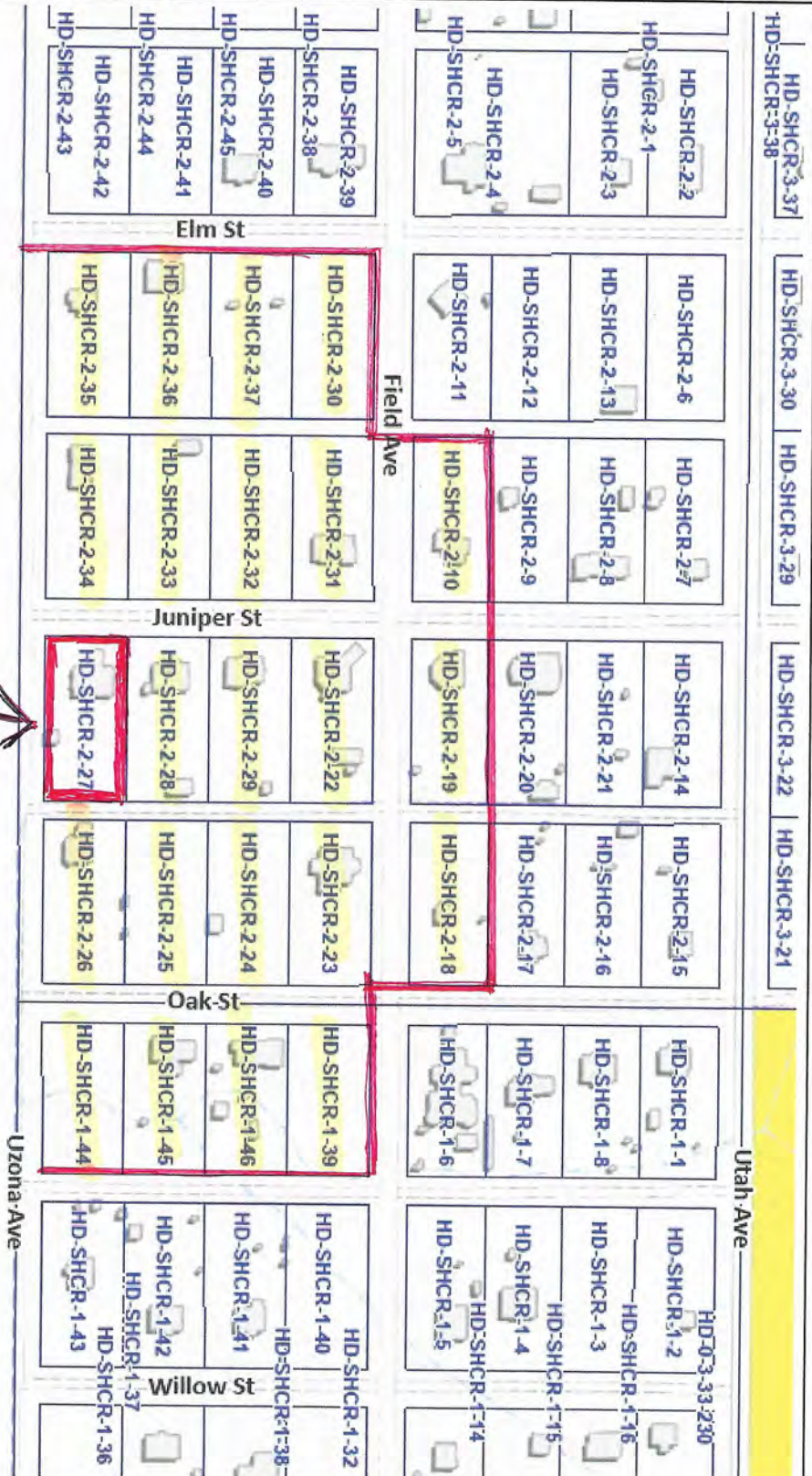
If the Council would like to proceed in this direction, Public Works can make the change relatively soon.







# Zion Cliff Lodge / Cliff Bar & Grill



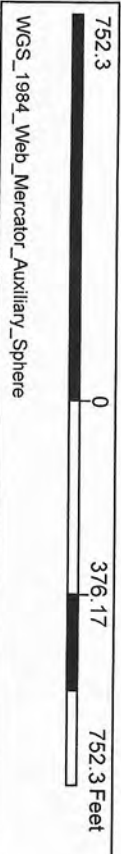
Parcels within 600'  
Of Zion Cliff Lodge



**Legend**

- Parcels
- Ownership
  - U.S. Forest Service
  - U.S. Forest Service Wilderness
  - Bureau of Land Management
  - Bureau of Land Management Wild
  - National Park Service
  - Shivwits Reservation
  - Utah Division of Wildlife Resources
  - Utah Division of Transportation
  - State Park
  - State of Utah
  - Washington County
  - Municipally Owned
  - School District
  - Privately Owned
  - Water
  - Water Conservancy District
  - State Assessed Oil and Gas
  - Mining Claim

**Notes**



DISCLAIMER: The information shown on this map was compiled from different GIS sources. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Washington County, Utah will not be held responsible for any claims, losses or damages resulting from the use of this map.



## Hildale City Parcels

Parcel Number	Description	Owner On Record
HD-SHCR-2-27	General Commercial	Shem Fischer
HD-SHCR-2-28	RA-1 Residential Agricultural	Ray Chatwin
HD-SHCR-2-29	RA-1 Residential Agricultural	UEP
HD-SHCR-2-30	RA-1 Residential Agricultural	Levi Jessop
HD-SHCR-2-31	RA-1 Residential Agricultural	Carl Stubbs
HD-SHCR-2-32	RA-1 Residential Agricultural	Christopher Blackmore
HD-SHCR-2-33	RA-1 Residential Agricultural	Derick Holm
HD-SHCR-2-34	RA-1 Residential Agricultural	Dennis Dutson Jr
HD-SHCR-2-35	RA-1 Residential Agricultural	Jonathan Ray Timpson
HD-SHCR-2-36	RA-1 Residential Agricultural	Leroy Gawynn Dutson
HD-SHCR-2-37	RA-1 Residential Agricultural	Rick White
HD-SHCR-1-46	RA-1 Residential Agricultural	UEP
HD-SHCR-1-45	RA-1 Residential Agricultural	Christopher Griswold
HD-SHCR-1-44	RA-1 Residential Agricultural	Jasper Jessop
HD-SHCR-2-26	RA-1 Residential Agricultural	UEP
HD-SHCR-2-25	RA-1 Residential Agricultural	JNJ Resources LLC
HD-SHCR-2-24	RA-1 Residential Agricultural	David Williams
HD-SHCR-2-23	RA-1 Residential Agricultural	UEP
HD-SHCR-2-22	RA-1 Residential Agricultural	UEP
HD-SHCR-2-19	RA-1 Residential Agricultural	UEP
HD-SHCR-2-18	RA-1 Residential Agricultural	Cynthia Knudson
HD-SHCR-2-10	RA-1 Residential Agricultural	UEP
HD-SHCR-1-39	RA-1 Residential Agricultural	Russell Jessop





RESTAURANT  
ON-PREMISE RETAIL LICENSE  
APPLICATION

Licensing and Compliance Division

Application Number \_\_\_\_\_

Restaurant (full)  
Initial license fee \$2,200  
Application fee (non-refundable) \$330

Restaurant (limited)  
Initial license fee \$825  
Application fee (non-refundable) \$330

Restaurant (Beer Only)  
Initial license fee \$825  
Application fee (non-refundable) \$330

Ownership Information

1. Ownership Entity: ZION CLIFF LODGE LLC  
Entity Type: Individual  Partnership  Corporation  Limited Liability Company
2. DBA: (assumed name of business) SAME
3. Business address: 620 N JUNIPER ST. HILDAL UT 84784  
STREET CITY STATE ZIP
4. Mailing address: 10231 S BROOKCREST CIR S. JORDAN UT 84095  
(IF DIFFERENT) STREET CITY STATE ZIP
5. Business Phone: [REDACTED] Fax: N/A Other/office: [REDACTED]
6. Contact person: [REDACTED] Phone number: [REDACTED] Email: [REDACTED]
7. Manager: [REDACTED] Phone number: [REDACTED] Email: [REDACTED]
8. Other alcoholic beverage licenses currently or previously held by applicant/entity/principals:  
N/A

Business / Property Information

9. Date opened for business (projected): APRIL 10 Days / hours of operation: 7 days a week 3:00<sup>pm</sup>-8:00<sup>pm</sup>
- 10a. Monthly gross food sales (projected): \$5,389 10b. Monthly gross alcohol sales (projected): 1,200<sup>00</sup>
11. Square footage: 997 Seating/dining capacity: 45 # of Parking stalls: 58
12. Business tax, withholding, workforce services identification numbers  
Utah Sales Tax 1494068-003-STC Utah Payroll Withholding TBD  
Utah Workforce Services T.B.D Federal Taxpayer Identification 84-2353579
13. Owner of real property & building (lease holder)  
Name: [REDACTED] Address: 10231 S BROOKCREST CIRCLE  
Phone: [REDACTED] City, State, zip SOUTH JORDAN UT
14. Proximity: List any private or public schools, churches, public libraries, public playgrounds, parks, or educational facilities (nursery school, infant day care center or trade / technical school) located within 300 feet pedestrian travel or 200 feet straight line.  
NOT ANY



15. Ownership / Management

List all individuals, partners, managers, officers, directors or members. Percentage owned must = 100%. Also list employees appointed to manage or direct operations of the business. Anyone owning at least 20% of an entity and all employee/managers must submit fingerprints for a background check. All individuals listed MUST be at least 21 years or older. If not a U.S. Citizen, provide residency status in section 16. Use additional sheets if necessary. For complex corporate structures, please include an organizational chart showing ownership interests of all parent companies until all individual person percentages are disclosed.

Name	Complete home address (include city, state, zip code)	POSITION HELD	Date of Birth Month / Day Year	Percent Owned	US Citizen Y/N

16. Residency status (list and attach proof of residency status for all individuals in section 15 who are not US citizens):

17. Criminal Offenses: List all criminal offenses other than minor traffic offenses of which you or any person listed in section 15 have been convicted or pending criminal charges (name, criminal offense, date of conviction – use additional sheets if necessary)

*NOT ANY*

18. Are you an industry member, or do you own or have interest in a brewery, winery or distillery?

Yes \_\_\_ No  if Yes explain below (use additional sheets as necessary)

Applicant agrees as a condition of licensing that he/she has read and will abide by the provisions of Title 32B, Utah Code, and all rules of the commission and directives of the Department of Alcoholic Beverage Control; and understands that failure to adhere or to no longer possesses the qualifications of a licensee may result in the suspension or revocation of the alcohol license and forfeiture of the compliance bond.  
 Applicant agrees to immediately notify the department of any change in ownership entity and understands that failure to do so may result in immediate suspension of the license  
 The undersigned verifies that the premises will not be used for permitting gambling or any other violation of law or ordinance.  
 The undersigned hereby authorizes the department access to federal, state and local sales, payroll, income, and real and personal property tax information.  
 The undersigned verifies that the applicant is in compliance with all federal and state laws pertaining to payment of taxes and contributions to unemployment and insurance funds.  
 The undersigned applicant does not and will not discriminate against persons on the basis of race, color, sex, religion, ancestry, or national origin.  
 The undersigned hereby voluntarily consents that representatives of the Alcoholic Beverage Control Department, Commission, State Bureau of Investigation (Bureau of Alcoholic Beverage Law Enforcement), and any other law enforcement agencies shall be admitted immediately and permitted without hindrance or delay to inspect the entire premises and all records of the licensee.  
 The undersigned acknowledges that he/she has read and understands the statements herein and that the execution thereof is done voluntarily and by authorization of the applicant entity; and that any false statement made on this application or any other related document is a second degree felony.  
 The undersigned hereby makes application to the Utah Alcoholic Beverage Control Commission and certifies that the information contained herein and attached hereto is true and correct.

Date \_\_\_\_\_

*Founder / CEO*  
 Title / Position



Applicant / Owner of the Business

Authorized Signature

State of \_\_\_\_\_ County of \_\_\_\_\_ Subscribed

and sworn before me this day \_\_\_\_\_ of \_\_\_\_\_, 20 \_\_\_\_\_

Notary Signature \_\_\_\_\_

SEAL

## DO YOU HAVE A VIOLATION HISTORY?

### 32B-5-203 Commission and department duties before issuing a retail license.

*... Before issuing a retail license, the commission shall consider operational factors such as considering the person's ability to manage and operate a retail license and consider any other factor the commission considers necessary.*

The Commission and department are required, before issuing a retail license, to conduct an investigation as to whether a retail license should be issued. The Commission has determined that one of the factors that will affect their decision to grant a license is whether or not an applicant has had a violation history. Commission policy states:

- Any applicant which has had a violation history will NOT be considered for a new license for THREE MONTHS after the final commission order for any serious or grave violations.
- All applicants with a violation of serious or grave in the last four months to a year will be required to appear before the commission to address whether a new license should be granted.
- The commission will consider the number of violations and all mitigating and aggravating factors in determining when, if at all, to grant a license.
- For the purpose of this policy, violation history applies to all licenses where there is common ownership of 20% or more.
- DABC staff has been instructed to inform applicants with a pending violation or a violation history in the last three months to apply *after* the prescribed periods.

### Please check with DABC to determine if or when a violation was adjudicated

**Any Violations:**     NO - GOOD TO GO!

YES - If Yes! fill in the information below for any serious or grave violations:

Violation \_\_\_\_\_     Serious     Grave    Date Adjudicated \_\_\_\_\_

Violation \_\_\_\_\_     Serious     Grave    Date Adjudicated \_\_\_\_\_

Violation \_\_\_\_\_     Serious     Grave    Date Adjudicated \_\_\_\_\_

Violation \_\_\_\_\_     Serious     Grave    Date Adjudicated \_\_\_\_\_

• Date the application may be considered by the Commission: \_\_\_\_\_

• The applicant must report to the Commission until: \_\_\_\_\_

**DABC LICENSEE & MANAGER BACKGROUND CHECK  
INFORMED CONSENT AND WAIVER**

[Redacted]

Print - Name of Applicant (First, Middle, Last)

Zion Cliff Lodge LLC

Name of Employer

owner / manager

Job Title

[Redacted]

Date of Birth (Month, Day, Year)

620N JUNIPER ST  
Hildale UT 84095

Employer Address

[Redacted]

Phone Number of the Applicant

(The above information to be verified by valid identification document(s) prior to background check request per Section 1028 of Title 18, United States Code)

**APPLICANT NOTIFICATION AND PURPOSE:**

In accordance with Utah Code 32B-1-303-307, your fingerprints will be used to **continuously check** the criminal history records of local and national (FBI) background check databases to determine whether an applicable individual has been:

- Convicted of a felony under federal or state law;
- Convicted of a violation of a federal law, state law, or local ordinance concerning the sale, manufacture, distribution, warehousing, or transportation of an alcoholic beverage;
- Convicted of a crime involving moral turpitude;
- Convicted on two or more occasions within the previous five years, driving under the influence of alcohol, a drug, or the combined influence of alcohol and a drug.

**RECORD CHALLENGE:**

If it is determined that a criminal history record contains a disqualifying offense, the applicable person must be notified of the reason for disqualification and given an opportunity to respond to the disqualification. You have the opportunity to complete or challenge the accuracy of the information contained in the FBI identification record. The procedure for obtaining a change, correction, or updating an FBI identification record are set forth in Title 28, CFR, 16.34. Procedures for challenging the State of Utah records if Utah has records that the FBI does not (UCA 53-10-108) can be found on the BCI website at:

<https://bci.utah.gov/wp-content/uploads/sites/15/2018/01/Challenge-Application-12-5-2017.pdf>

**WAIVER:**

I hereby authorize the Department of Alcoholic Beverage Control (DABC) to investigate my criminal history records and acknowledge that a background check will be conducted and maintained by the State Bureau of Criminal Identification and my fingerprints continuously checked against local and national (FBI) background check databases for so long as I maintain an employment or regulatory relationship with the DABC.

My personal information and fingerprints may be retained for ongoing monitoring and comparison against future submissions to the state, regional or federal database and latent fingerprint inquiries. DABC will establish procedures to ensure removal of my fingerprints from applicable state and federal databases when I am no longer under their purview. I will provide a list of all criminal convictions which contains a description of the crimes and the particulars of the convictions.

I have read the attached Privacy Statement and understand my rights according to this statement.

I stipulate that if a criminal conviction that would disqualify any applicable individual from holding the license, permit, or package agency, the license, permit or package agency will immediately be surrendered.

**I agree by signing below to notify the DABC if I cease this relationship and wish my fingerprints to be removed from the notification system.**

[Redacted Signature]

Signature

1-24-2020

Date



**DABC LICENSEE & MANAGER BACKGROUND CHECK  
INFORMED CONSENT AND WAIVER**

[Redacted]

[Redacted]

Print - Name of Applicant (First, Middle, Last)

Date of Birth (Month, Day, Year)

Zion Cliff Lodge LLC

620 N Juniper St  
Hildale UT 84095

Name of Employer

Employer Address

owner / Acting Manager

Job Title

[Redacted]  
Phone Number of the Applicant

(The above information to be verified by valid identification document(s) prior to background check request per Section 1028 of Title 18, United States Code)

**APPLICANT NOTIFICATION AND PURPOSE:**

In accordance with Utah Code 32B-1-303-307, your fingerprints will be used to **continuously check** the criminal history records of local and national (FBI) background check databases to determine whether an applicable individual has been:

- Convicted of a felony under federal or state law;
- Convicted of a violation of a federal law, state law, or local ordinance concerning the sale, manufacture, distribution, warehousing, or transportation of an alcoholic beverage;
- Convicted of a crime involving moral turpitude;
- Convicted on two or more occasions within the previous five years, driving under the influence of alcohol, a drug, or the combined influence of alcohol and a drug.

**RECORD CHALLENGE:**

If it is determined that a criminal history record contains a disqualifying offense, the applicable person must be notified of the reason for disqualification and given an opportunity to respond to the disqualification. You have the opportunity to complete or challenge the accuracy of the information contained in the FBI identification record. The procedure for obtaining a change, correction, or updating an FBI identification record are set forth in Title 28, CFR, 16.34. Procedures for challenging the State of Utah records if Utah has records that the FBI does not (UCA 53-10-108) can be found on the BCI website at: <https://bci.utah.gov/wp-content/uploads/sites/15/2018/01/Challenge-Application-12-5-2017.pdf>

**WAIVER:**

I hereby authorize the Department of Alcoholic Beverage Control (DABC) to investigate my criminal history records and acknowledge that a background check will be conducted and maintained by the State Bureau of Criminal Identification and my fingerprints continuously checked against local and national (FBI) background check databases for so long as I maintain an employment or regulatory relationship with the DABC.

My personal information and fingerprints may be retained for ongoing monitoring and comparison against future submissions to the state, regional or federal database and latent fingerprint inquiries. DABC will establish procedures to ensure removal of my fingerprints from applicable state and federal databases when I am no longer under their purview. I will provide a list of all criminal convictions which contains a description of the crimes and the particulars of the convictions.

I have read the attached Privacy Statement and understand my rights according to this statement.

I stipulate that if a criminal conviction that would disqualify any applicable individual from holding the license, permit, or package agency, the license, permit or package agency will immediately be surrendered.

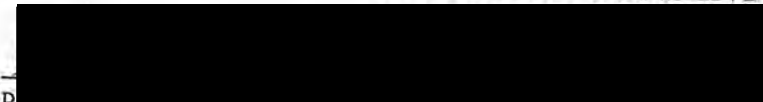

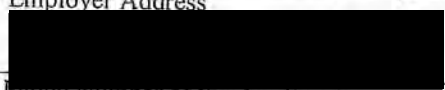
**I agree by signing below to notify the DABC if I cease this relationship and wish my fingerprints to be removed from the notification system.**

Signature \_\_\_\_\_

Date \_\_\_\_\_

Effective January 2019

**DABC LICENSEE & MANAGER BACKGROUND CHECK  
INFORMED CONSENT AND WAIVER**

 Print Name of Applicant (First, Middle, Last)	 Date of Birth (Month, Day, Year)
<u>Zion Cliff Lodge LLC</u> Name of Employer	<u>620 N JOHNET ST</u> <u>Hildale UT 84095</u> Employer Address
<u>21% OWNER / Non-acting</u> Job Title	 Phone Number of the Applicant

(The above information to be verified by valid identification document(s) prior to background check request per Section 1028 of Title 18, United States Code)

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\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**DABC LICENSEE & MANAGER BACKGROUND CHECK  
INFORMED CONSENT AND WAIVER**

\_\_\_\_\_  
First Name of Applicant (First, Middle, Last)

\_\_\_\_\_  
Date of Birth (Month, Day, Year)

Zion Cliff Lodge LLC  
Name of Employer

620 N Juniper St  
Hildate UT 84095  
Employer Address

19% Owner / Non-acting  
Job Title

\_\_\_\_\_  
Phone Number of the Applicant

(The above information to be verified by valid identification document(s) prior to background check request per Section 1028 of Title 18, United States Code)

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\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

# Zion Cliff Lodge LLC

Business Name

## Pro Forma Income Statement

REVENUE per year

Food	<u>64,668</u>
Liquor, <u>wine, heavy beer</u>	<u>9,200</u>
Beer (3.2%)	<u>5,200</u>
Other	<u>218,400</u>

Total Sales Revenue

\$ 297,468

### COSTS OF GOODS SOLD

Food	<u>20,047.08</u>
Liquor, <u>wine, heavy beer</u>	<u>2,392</u>
Beer (3.2)	<u>1,352</u>
Other	<u>73,200</u>

Total Costs of Goods Sold

\$ 96,991

### GROSS PROFIT

\$ 200,477

### EXPENSES

#### Variable Costs

- Salaries & wages	<u>28,800</u>
- Employee Benefits	<u>11,400</u>
- Other Operating Expenses	
Janitorial	<u>4,168</u>
Advertising	<u>6,210</u>
Entertainment	<u>3,850</u>
Utilities	<u>10,200</u>
Telephone	<u>1,224</u>

Total other operating expenses

1,500

Total Variable Expenses

67,352

#### Fixed Costs

Mortgage/Rent	<u>61,740</u>
Insurance	<u>3,800</u>
Interest	<u>8,210</u>
Depreciation	<u>15,358</u>

Total Fixed Expenses

89,108

Total Operating Expenses

\$ 156,460

Net Profit (loss) before taxes

\$ 44,017

Taxes

\$ 15,405.95

Net Profit (loss) after taxes

\$ 28,611.05





### Exemption Certificate

(Sales, Use, Tourism and Motor Vehicle Rental Tax)

TC-721  
Rev. 7/15

Name of business or institution claiming exemption (purchaser) <u>Zion Cliff LLC</u>		[Redacted]	
Street address <u>620 N JUNIPER ST.</u>	City <u>Hildale</u>	State <u>UT</u>	ZIP Code <u>84784</u>
[Redacted]	[Redacted]	Title <u>founder/CEO</u>	Date <u>1-24-2020</u>
Name of Seller or Supplier: <u>Department of Alcoholic Beverage Control</u>			

The signer of this certificate MUST check the box showing the basis for which the exemption is being claimed.

**DO NOT SEND THIS CERTIFICATE TO THE TAX COMMISSION**  
Keep it with your records in case of an audit.

**RESALE OR RE-LEASE**  
Sales Tax License No. 14940608-003-STC

I certify I am a dealer in tangible personal property or services that are for resale or re-lease. If I use or consume any tangible personal property or services I purchase tax free for resale, or if my sales are of food, beverages, dairy products and similar confections dispensed from vending machines (see Rule R865-19S-74), I will report and pay sales tax directly to the Tax Commission on my next sales and use tax return.

**COMMERCIAL AIRLINES**  
Sales Tax License No. N/A

I certify the food and beverages purchased are by a commercial airline for in-flight consumption; or, any parts or equipment purchased are for use in aircraft operated by common carriers in interstate or foreign commerce.

**RELIGIOUS OR CHARITABLE INSTITUTION**  
Sales Tax License No. N/A

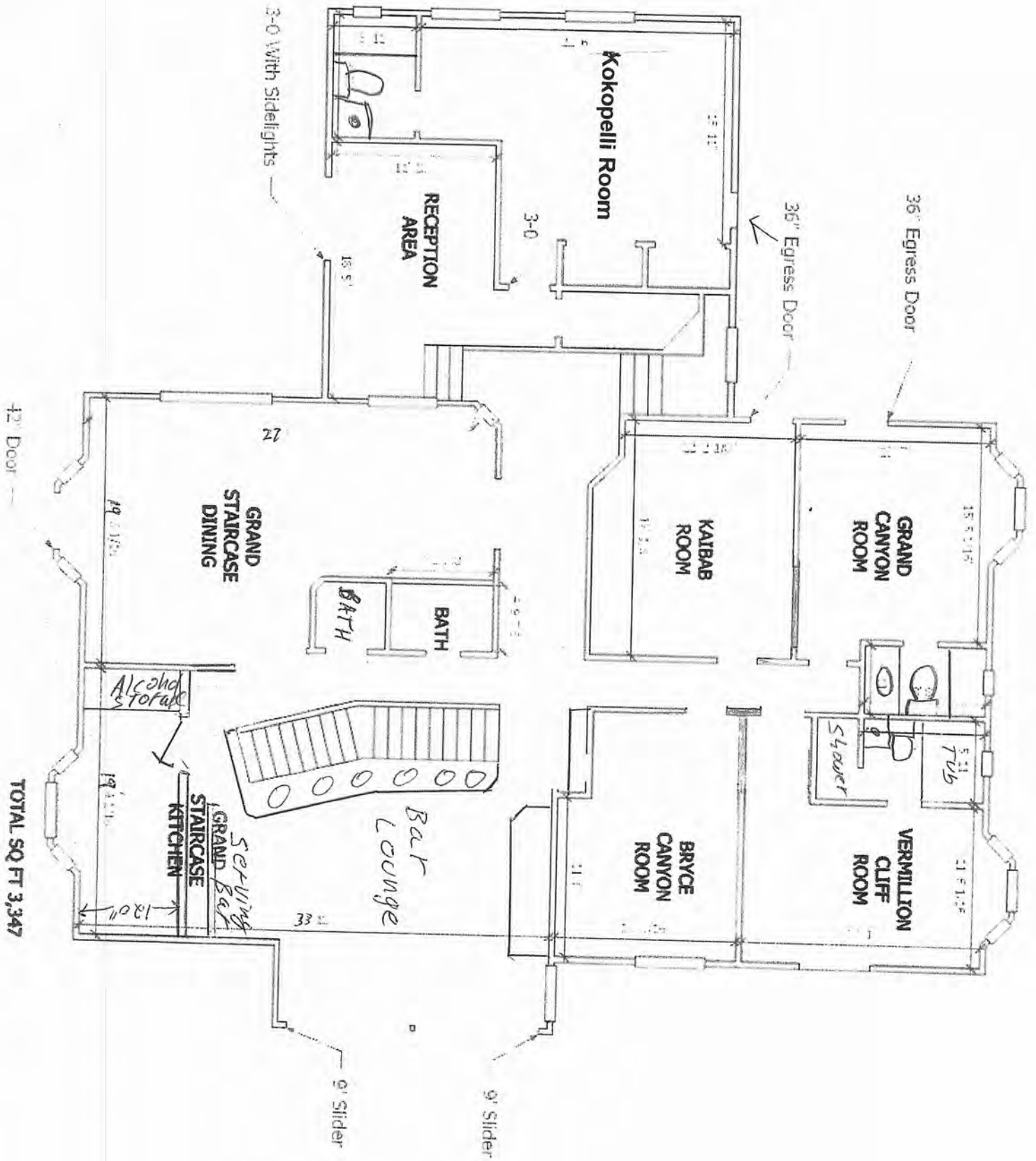
I certify the tangible personal property or services purchased will be used or consumed for essential religious or charitable purposes. **This exemption can only be used on purchases totaling \$1,000 or more, unless the sale is pursuant to a contract between the seller and purchaser.**

N/A

**NOTE TO SELLER:** Keep this certificate on file since it must be available for audit review. Questions? Email [taxmaster@utah.gov](mailto:taxmaster@utah.gov), or call 801-297-2200 or 1-800-662-4335.

If you need an accommodation under the Americans with Disabilities Act, email [taxada@utah.gov](mailto:taxada@utah.gov), or call 801-297-3811 or TDD 801-297-2020. Please allow three working days for a response.

**DO NOT SEND THIS CERTIFICATE TO THE TAX COMMISSION**





## Responsible Alcohol Service Plan – (RASP)

Reference #	DC Representative	Release Date
SOP FAC_02102020 Rev. 0	[REDACTED]	T.B.D
Document Title	Alcoholic Beverage Service	All Alcohol Servers

### 1. Overview and Purpose:

Zion Cliff Lodge management recognizes that it is a privilege to buy and sell alcoholic beverages in the State of Utah. With that privilege, we realize it is our legal and social responsibility to comply with all Utah laws, rules and regulations. We seek to employ Best Practices as they pertain to the sale and service of alcoholic beverages. We are committed to the safe and responsible sale of all alcoholic beverages to only those patrons who are 21 years of age or older and refuse service of alcoholic beverages to those individuals that are visibly intoxicated or, in those cases where we deem it necessary to refuse service. In order to achieve these goals, we have adopted the following policies. This document outlines the alcoholic beverage serving policies for all personnel working the restaurant and cocktail lounge.

### 2. Policy Guidelines

#### A. General:

- a) All new employees will review, with a member of management, or designated agent of management the laws, rules and regulations and best practices as described in the overview and purpose outlined in this document prior to making any sale or serving of a alcoholic beverage. Once trained, all employees / servers will regularly review once a month those laws, regulations and best practices with a member of management. Employees shall ask for clarification on topics they don't understand and upon completion on the review, sign off that they understand and will comply with the restaurant policies governing the sale of alcohol products.
- b) Employees shall comply with all Utah Liquor Laws, Rules, and Regulations governing the sale and service of alcoholic beverages.

#### B. Assessment:



- a) Servers will make verbal and visual contact with all customers purchasing liquor or imitation liquor.
- b) When making visual contact, employees will make eye contact with the patron, paying special attention to the facial characteristics, as well as noting general appearance, behavior and young acquaintances that might indicate the purchase is underage. The employee shall make note of bloodshot or drooping eyes, disheveled clothing and any other signs that might indicate the patron is visibly intoxicated and should not be served or sold any liquor or alcohol product.
- c) When making verbal contact, employee will ask the patron a question that would invoke a response such as "How is the weather?" Note any odor of liquor on the patron's breath and any signs of slurring and report this information to the Manager on duty.

**C. Carding Practices:**

- a) Utah law requires a licensee or licensee's employee or agent to verify a patrons age is over 21 years of age **every time**. If the patron appears to be under the age of 35 Licensee's employee or agent shall verify the patron is not a minor by means of photographic identification containing that persons date of birth before they can furnish, give or deliver liquor or any alcohol product to such person.
- b) No expired identification card of any type will be accepted as proof of age.
- c) The server will request that the patron remove their ID from their wallet and take physical control of the identification, checking the back, then the front for signs of forgery such as:
  - I. Poor photocopy quality, blurred imagery or digitized lettering.
  - II. Disclaimer like "non-government ID" or "non-transferable ID card".
  - III. Statements of authenticity such as "Genuine", "Authentic", "Secure", etc. (if it has to tell you it's "Genuine", it's not).
  - IV. Unusual thickness or unevenly cut edges or corners and bumpy surfaces indicate the card has been hand cut or the picture has been replaced.
- d) The server will verify that the information and picture on the identification match the person presenting it paying special attention to the date of birth in order to confirm the individual is not a minor. In the event any patron fails to show proper identification or if there is doubt by the server of the validity of an ID, the sale will be refused. All refusals for failure to see the requirements of the identification policy are final.
- e) Server will scan ID for patrons seated at the "dispensing structure" (bar) who appear to be 35 years of age or under.

**D. Retaining Identification:**

- a) When a patron displays an identification card that is obviously false, the server will refuse sale of liquor or alcohol product and report it to a manager and/or the police.

**E. Visibly Intoxicated Individuals:**

- a) All restaurant staff will continuously appraise the sobriety of the patrons within the premises who appears to be purchasing alcoholic beverage and when observation of visible intoxication or made, bring them to the attention of the management of servers. If needed, such management of servers or an authorized agent will advise such patron that it's illegal to serve alcoholic beverages under Utah Law. If needed alternate transportation will be arranged should the patron decide to leave immediate.
- b) Exception- if a patron advising the server, manager or member of the management team that their appearance is due to a disability as defined under the American with Disability Act (ADA).

**F. Training And Code Of Conduct:**

- a) Any staff whose responsibilities include the sale, handling or marketing of alcoholic beverages will attend a server/management training approved by the Commissioner of Department Of Public Safety and Department of Alcohol and Beverage Control within 30 days of employment.
- b) Employees will always be professional, friendly and polite with all patrons when complying with Utah law and / or restaurant policy, explaining that when service is declined, it is because of Utah law and/or establishment policy.
- c) All employees will report for work sober and will not have consumed any alcoholic beverages prior to arriving or consume any alcohol while on duty.
- d) No employee under 21 years of age may serve alcohol products. That said, employees under 21 years of age may ring up the sale of alcoholic beverages at a cash register and clear tables with alcohol products and transport them to the designated dishwashing area. In addition, employees under 21 can walk through such designated areas where alcoholic beverages are served and sold if they are attending to their job requirements.

### 3. Designated Serving Areas

- a) Cocktail Lounge and Sunrise Dinning Deck
- b) Grand Staircase Dinning Room
- c) Sunset Deck
- d) Grand Canyon Deck
- e) Designated outdoor cement patio areas used for seasonal dinning.

### 4. Beer, Wine and Flavored Malt Beverage Serving (SOP) Standard Operating Procedures

- a) Average food sales shall meet or exceed 70% of the patrons' overall bill.
- b) All alcoholic beverages must be provided by an authorized server or agent on staff. A wine service may be performed by the server at the patron's table, counter, or bar serving structure. This is true for wine purchased at our establishment or carried in by a patron. The wine may be opened and poured by the server or the patron at the patrons designated dinning spot. Beer and heavy beer, if in sealed containers, may also be opened and poured by the server or patron at the patron's designated dinning spot.
- c) **Beer** - may be sold and served in any size container, not exceeding 2 liters, and on draft. However, a pitcher (Larger than one liter and up to two liters) may only be sold to parties of two or more. Beer may be sold to any individual patron only in container that does not to exceed one liter. Beer flights may be sold to patron as long as the total amount of beer does not exceed 16 ounces. And finally, beer may be sold to go in sealed containers only if the patrons have already denied in the restaurant.
- d) **Flavored Malt Beverages**- may be sold and served in original containers not exceeding one liter.
- e) **Wine**-may be sold and served by the glass or individual partition in quantities not exceeding 5 ounces. An individual portion may be served to a patron in more than one glass (as a flight) as long as the total amount of wine in all of the glasses does not exceed the individual portion size of 5 ounces per patron. Wine may be poured by the server or patron by the glass form any size of bottle of container and not be dispensed through a dispensing device.
- f) **Limitation On Total Number Of Drinks**- each restaurant patron may only have one spiritous liquor drink before them at a time. Other than spiritous liquor drinks, each restaurant patron may have no more than two servings of an alcoholic beverages of any kind at a time before the patron.
- g) **Open container**- the primarily container for drinking purposes and containing an alcoholic beverage, may not be removed from the restaurant promises.
- h) Designated alcohol beverage servers shall wear a identification badge visible above the waist, bearing the employee's first name, initials, or a unique number in letters or numbers not less than 3/8" high. Badge must be warn on the front portion of the employee's body.



**Sign-Off Form: Responsible Alcohol Service Plan**

Reference #	DC Representative	Release Date
SOP FAC_12102020 -1 Form A Rev. 0	[REDACTED]	T.B.D
Document Title	Alcoholic Beverage Service Training, Verification	All Alcohol Servers

The undersigned employee, designated agent, manager hereby acknowledge they have read and fully comprehends the information provided in SOP FAC\_02102020 Rev.0.

Employee, Designated Agent, Manager (Trainee)

Sign X \_\_\_\_\_

Print name: \_\_\_\_\_

Job title: \_\_\_\_\_

Date: \_\_\_\_\_

Trainer

Sign X \_\_\_\_\_

Print name: \_\_\_\_\_

Date: \_\_\_\_\_



**Francine Giani**  
*Executive Director*  
Department of Commerce

**Gary Herbert**  
*Governor*  
State of Utah

**Jason Sterzer**  
*Director*  
Division of Corporations  
& Commercial Code

**STATE OF UTAH**  
**DEPARTMENT OF COMMERCE**  
***DIVISION OF CORPORATIONS & COMMERCIAL CODE***  
**CERTIFICATE OF REGISTRATION**

PATTIE S CHRISTENSEN  
**ZION CLIFF LODGE LLC**  
10231 S BROOKCREST CIR  
SOUTH JORDAN UT 84095

Access Code  
Code: 6170328



State of Utah  
Department of Commerce  
Division of Corporations & Commercial Code

**CERTIFICATE OF REGISTRATION**

**LLC - Domestic**

This certifies that **ZION CLIFF LODGE LLC** has been filed and approved on **July 10, 2019** and has been issued the registration number **11374903-0160** in the office of the Division and hereby issues this Certification thereof.

  
JASON STERZER  
Division Director

\*The Access Code is used for Online Applications used by this Division only.



# 2019 CERTIFICATE OF EXISTENCE REQUEST FORM



**UT Certificate Service**  
 224 South Main St.  
 Suite 113  
 Springville, UT, UT 84663

QUESTIONS?




**TOLL FREE (888) 842-9265**  
**RECORDS@UTCERTSERVICE.COM**

21 \*\*\*\*\*AUTO\*\*ALL FOR AADC 840  
 Zion Cliff Lodge LLC  
 10231 S Brookcrest Cir  
 South Jordan, UT 84095-4511

0470



**IMPORTANT! FOLLOW INSTRUCTIONS EXACTLY WHEN COMPLETING THIS FORM. PLEASE PRINT CLEARLY.**

Key Code: UT-CS3847-0715	Notice Date: 07/15/2019	<b>PLEASE RESPOND BY:</b>  <b>July 29, 2019</b>
Entity Number: 11374903-0160		
Business Address:  Zion Cliff Lodge LLC 10231 S Brookcrest Cir South Jordan, UT 84095-4511		

Congratulations on registering your business with the State of Utah. Your Articles have been filed with the secretary of state and are complete. You have one step left in order to attain your elective Utah Certificate of Existence. Below is a form for your newly registered business. **Please confirm the accuracy of the information below for your Utah Certificate of Existence Request.**

A Utah Certificate of Existence is issued by the Secretary of State and may be required for loans, to renew business licenses, or for tax or other business purposes. A Certificate of Existence certifies that your Utah business is in existence, is authorized to transact business in the state and complies with all state requirements. The Certificate of Existence shows the official evidence of an entity's existence and provides a statement of an entity's status, current legal name and date of formation. The Certificate of Existence bears the official seal of the Utah Secretary of State.

### Business Information

Entity Type: **LLC - Domestic**  
 Date Of Registration: **7/10/2019**  
 Certificate Of Existence Fee: **\$72.50**

This is not a government agency


#### Step 1: Please Confirm Business Name & Address Are Correct.

Business Name: <b>Zion Cliff Lodge LLC</b> 10231 S Brookcrest Cir South Jordan, UT 84095-4511	Entity Number:  <b>11374903-0160</b>
---	--

#### Step 2: Contact Information - DO NOT SKIP THIS STEP! Email & Contact Number Are Required For Processing

Name:	Email:	Phone Number:

#### Step 3: Payment - Select Payment Method & Double Check Payment Information

<input type="checkbox"/> CHECK OR MONEY ORDER ENCLOSED IN THE AMOUNT OF: <b>\$72.50</b> Please make your check or money order payable to: <b>UT Certificate Service</b> 224 South Main St. Suite 113 Springville, UT 84663	[PLEASE ALLOW UP TO TWO WEEKS FOR PROCESSING AND RETURN OF DOCUMENT]
	

#### Step 4: Authorization - Please Sign, Date & Return This Form With Payment Enclosed In Return Envelope Provided

Signature:	Date:



Utah State Tax Commission

TAXPAYER SERVICES DIVISION 210 N 1950 W SALT LAKE CITY Utah 84134-9000

Website: tax.utah.gov

al012 03/2018

### Sales Tax License and/or Use Tax Certificate of Registration

ZION CLIFF LODGE LLC  
ZION CLIFF LODGE LLC  
620 N JUNIPER ST  
HILDALE UT 84784-0000

Account Number: **14940608-003-STC**

This business is registered to make taxable sales from the incorporated city of:  
**Hildale**

**Outlet: 0001 Issued: November 1, 2019 Valid until revoked or cancelled. Post in a noticeable place.**

This business is authorized to make taxable sales, purchase tax free for resale, collect and remit sales and use taxes in the State of Utah. The authority to engage in business is subject to city and/or county business licensing laws and other rules and regulations. This license may be revoked for violations or failure to comply with these laws, rules and regulations. If this business moves, closes or is sold, you must contact the Tax Commission immediately by calling 801-297-2200 or toll free 1-800-662-4335 and return this license to the Tax Commission for cancellation. This license is NOT transferable.

## ABOVE IS YOUR SALES TAX LICENSE

TEAR OFF AT PERFORATION AND POST IN A NOTICEABLE PLACE  
Keep this portion for your records.

Account Number: **14940608-003-STC**

<<< Use this number for all correspondence or contact with the Utah State Tax Commission.

Jurisdiction: **Hildale**

Issued: **November 1, 2019**



**Your Personal Identification Number (PIN) will be sent in a different notice in a few days.**

You are required to register your account at [tap.utah.gov](http://tap.utah.gov) for electronic filing, paying and managing your account. Your PIN is needed to register.

### NOTICE OF LIABILITY

If you are purchasing a business, have the former business owner provide you a notice/receipt from the Tax Commission stating the sales and use taxes are paid in full. If the notice/receipt is not provided, Utah law requires you keep enough of the purchase money to pay the unpaid taxes. You may be held personally liable for any taxes not paid by the former owner.

### TAX FREE PURCHASES

Merchandise purchased tax free, but used or consumed by your company, must be reported on your sales and use tax return. You must pay sales and use tax on goods that you or your company consume.

**UTAH DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL**

1625 S 900 W • PO Box 30408 • Salt Lake City, UT 84130-0408 • Phone (801) 977-6800 • Fax (801) 977-6889

**"LIMITED RESTAURANT BOND"**

BOND # 64957889

**KNOW ALL PERSONS BY THESE PRESENTS:**

That **Principal**, Zion Cliff Lodge LLC

a limited restaurant licensee, doing business as \_\_\_\_\_,

and **Surety**, WESTERN SURETY COMPANY, a corporation

organized and existing under the laws of the state of South Dakota and authorized to do business in Utah, are held and bound unto the Utah Department of Alcoholic Beverage Control in the sum of **\$5,000**, for which payment will be made, we hereby bind ourselves and our representatives, assigns, and successors firmly by these presents.

Dated this 30th day of January, 2020.

**THE CONDITION OF THIS OBLIGATION IS SUCH THAT:**

WHEREAS, the above principal has made application to the Utah Alcoholic Beverage Control Commission for a limited restaurant license pursuant to the provisions of 32B-5-204, Utah Code.

NOW, THEREFORE, if said principal, its officers, agents and employees shall faithfully comply with the provisions of Title 32B, Utah Code, and the rules and directives of the Utah Alcoholic Beverage Control Commission and the Utah Department of Alcoholic Beverage Control, then this bond shall be void; but, if said principal, its officers, agents and employees fail to comply with the provisions of the laws, rules and directives or orders as the commission or department may issue, then this bond shall be in full force and effect and payable to the Utah Department of Alcoholic Beverage Control. This bond shall run for a continuing term effective January 30th, 2020 unless canceled by service of written notice upon the Utah Department of Alcoholic Beverage Control, which cancellation shall be effective 30 days after receipt of such notice; provided however, that no part of this bond shall be withdrawn or canceled while violations, legal actions or proceedings are pending against said licensee / principal.

WESTERN SURETY COMPANY

**Surety**

Attorney in fact Paul T. Bruflat,  
Vice President

Zion Cliff Lodge LLC

**Principal / Licensee**

\_\_\_\_\_  
Authorized signature

\_\_\_\_\_  
Name / Title



{ Corporate Seal }

**STATUTORY AFFIDAVIT FOR CORPORATE SURETY**

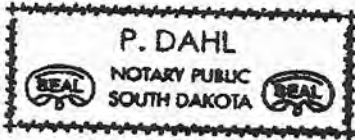
STATE OF: SOUTH DAKOTA

COUNTY OF: MINNEHAHA

On the 30th day of January, 2020, personally appeared before me,  
Paul T. Bruflat, who, being by me duly sworn, did  
say that he / she is the Vice President of WESTERN SURETY COMPANY,  
Surety, and that said instrument was signed in behalf of said surety by authority, and acknowledged to me  
that he / she as such Vice President executed the same.

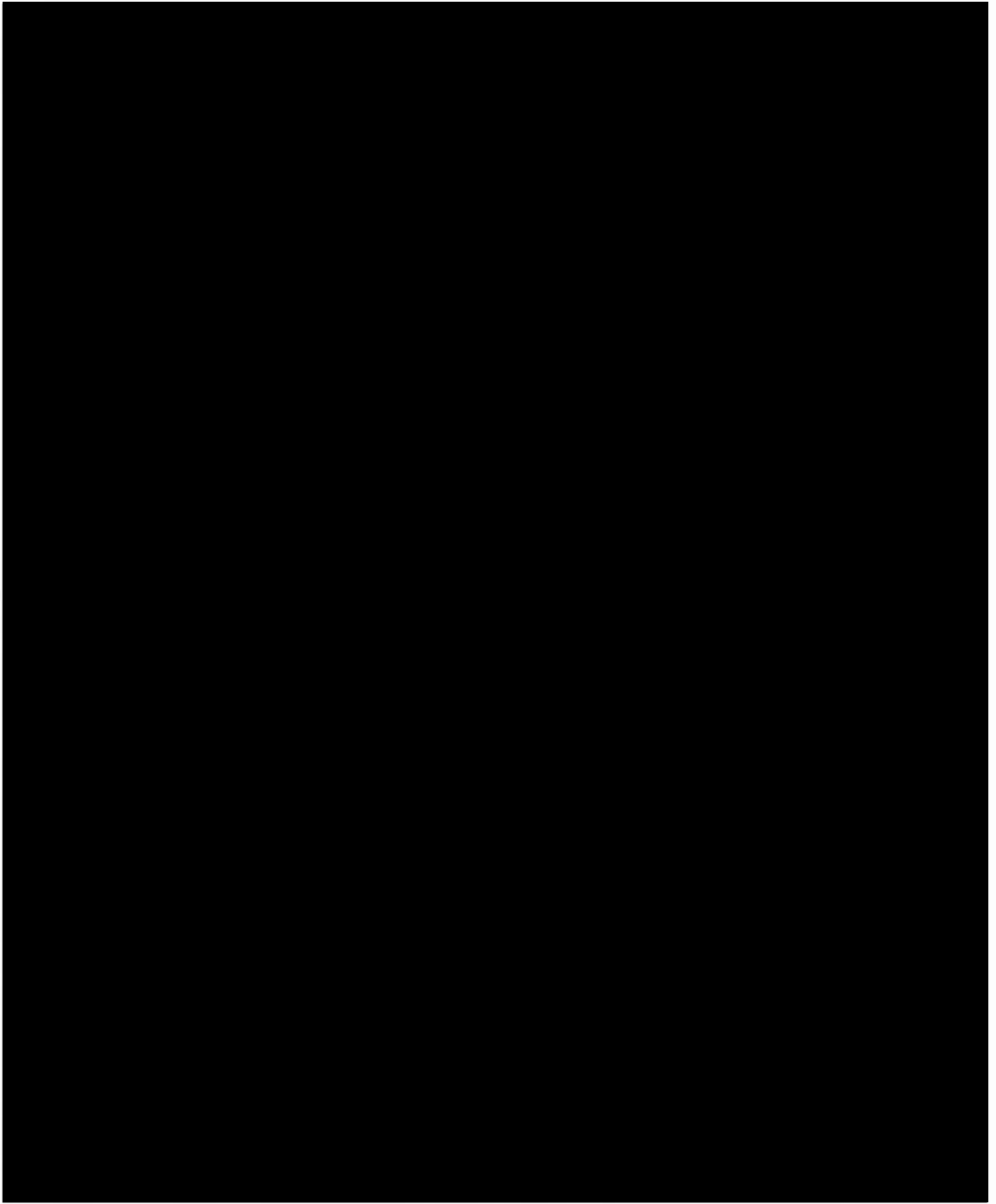
*P. Dahl*

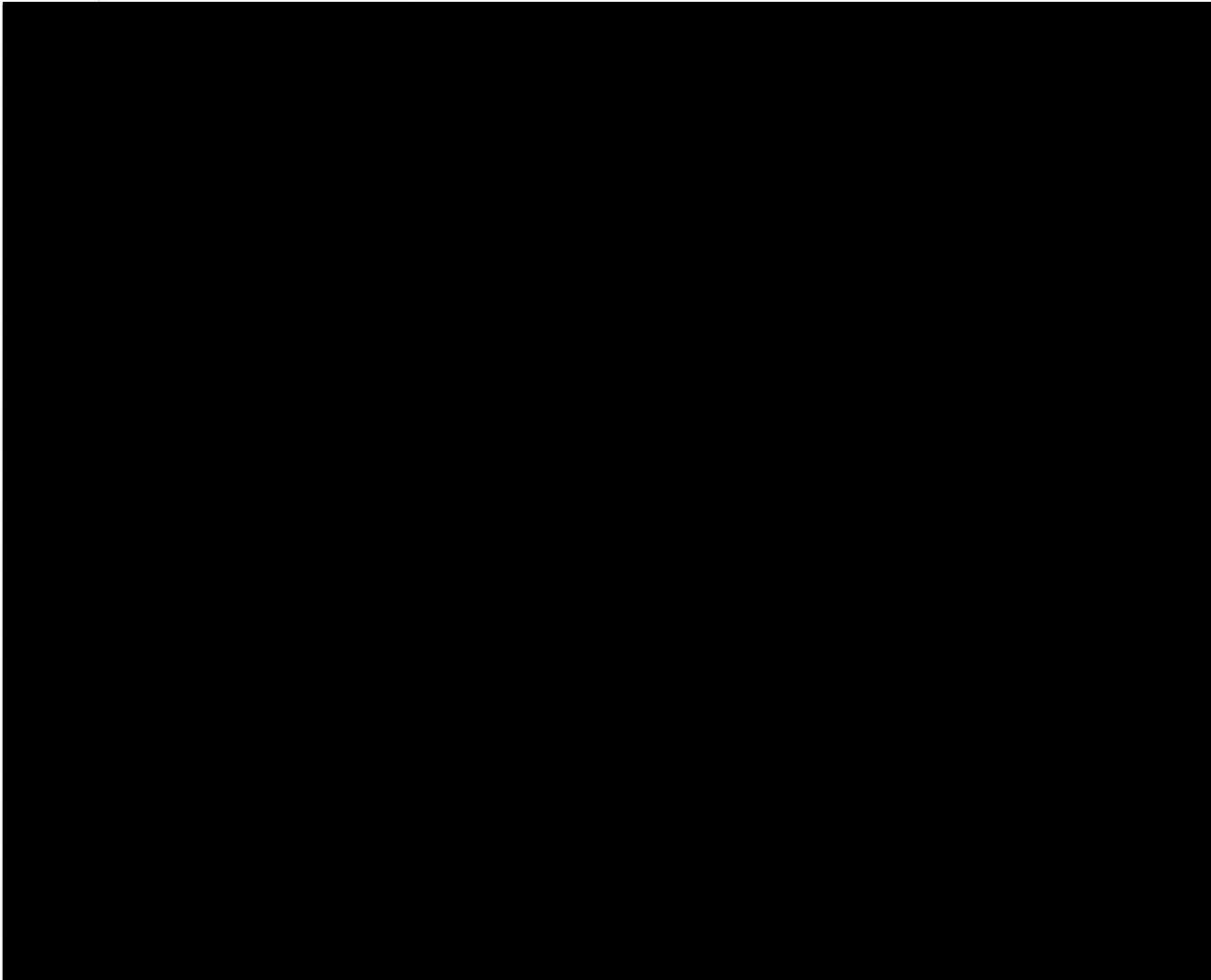
Notary Public Signature & Seal



My Commission Expires June 18, 2025

**Note: Corporate surety's own affidavit also acceptable**









# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

02/05/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER  Jason Tyler Huff	CONTACT NAME: Tyler Huff	PHONE (A/C, No, Ext): 801-935-4200	FAX (A/C, No): 801-206-3511
	E-MAIL ADDRESS: jhuff@amfam.com		
INSURED  Shem Fischer 10231 S Brookcrest Cir, South Jordan, UT, 84095	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A :		
	INSURER B :		
	INSURER C :		
	INSURER D :		
	INSURER E :		

**COVERAGES**

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
<input checked="" type="checkbox"/>	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			910005532455	09/18/2019	09/18/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**CERTIFICATE HOLDER****CANCELLATION**

Department of Alcohol & Beverage Control  
1625 S 900 W, Salt Lake City, UT 84104

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE  
Tyler Huff

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ACORD 25 (2016/03)

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# RULES OF ORDER AND PROCEDURE

## OF THE HILDALE CITY COUNCIL

The City Council for the City of Hildale, Utah has adopted these Rules of Order and Procedure (the “Rules”) to govern its public meetings, with the objective that the **Public’s business should be carried out in a fair, open, civilized and orderly** manner, in order to preserve the democratic principles that are necessary to good government. These Rules do not diminish the existing powers or authority of the Mayor and City Council under the Constitution of the State of Utah or under Utah law, including the Utah Municipal Code, Utah Code Annotated Section 10-1-101 *et seq.*, and the Open and Public Meetings Act, Utah Code Annotated Section 52-4-101 *et seq.* Where these Rules may conflict with applicable provisions of state law, the latter shall govern.

### **1. Conduct of Meetings**

#### **1.1. Role of the Mayor.**

- 1.1.1. The Mayor shall serve as meeting chair.
- 1.1.2. If the Mayor is absent, unable or unwilling to serve as chair of any meeting or portion thereof, the Council may elect a Councilmember to serve as Mayor Pro Tempore, who shall retain the voting rights of a Councilmember.
- 1.1.3. The Mayor has the primary responsibility for ensuring that these Rules are followed.

#### **1.2. Types of Council Meetings**

Meetings of the Council shall be categorized as follows:

- 1.2.1. Regular Council Meetings. A regular council meeting is convened at the date, time and place established by the Council for its regular meetings and published in the annual meeting schedule, or as rescheduled in a duly posted and published public notice. The purpose of a public meeting is for the Council to discuss or take final action on items of Council business that are permitted or required by law to be considered in a regular meeting. Regular council meetings are ordinarily open to the public, unless closed in accordance with these Rules and the Open and Public Meetings Act.



- 1.2.2. Work meetings. A work meeting may be called by the Mayor or by two Councilmembers **and shall be chaired by the Mayor or the Mayor's** designee. Generally, although work meetings may be called more frequently, the Council will hold at least one work meeting each month, on the last Wednesday of the month. The purpose of a work meeting is for the Council to discuss or study items of Council business that are not ready for final action, or to receive and discuss special training or presentations. No final action shall be taken in a work meeting unless the Council votes to suspend its Rules as provided for below. In a work meeting, the Mayor and Council may sit around a conference table or in any other informal arrangement that may facilitate the subject under discussion. Work meetings must be open to the public.
- 1.2.3. Special meetings. A special meeting may be called by the Mayor or by two Councilmembers and shall be chaired by the Mayor. The purpose of a special meeting is for the Council to discuss or take final action on items of Council business that are permitted or required by law to be considered in a special meeting. The order convening the meeting shall be included in the minutes and shall state the reason for calling a special meeting. Regular council meetings are ordinarily open to the public, unless closed in accordance with these Rules and the Open and Public Meetings Act.
- 1.2.4. Emergency Meetings. An emergency meeting may be called by the Mayor or by two Councilmembers and shall be chaired by the Mayor or **the Mayor's designee. The purpose of an emergency meeting is for the** Council to discuss or take final action on matters of an emergency or urgent nature, when unforeseen circumstances make it necessary to meet without advance public notice. The order convening the meeting shall be included in the minutes and shall state the reason for calling an emergency meeting. The Council must give the best notice practicable to the public and attempt to notify every Councilmember. An emergency meeting may only be convened after at least three **hours' notice, and after** a majority of the Councilmembers vote to do so. Emergency meetings must be open to the public, unless closed in accordance with these Rules and the Open and Public Meetings Act.

### **1.3. The Agenda**

- 1.3.1. Before any item of Council business may be discussed in a meeting of the City Council, such item shall have been listed under an agenda item included in a public notice, unless:

1.3.1.1. The item is the proper subject of a closed meeting convened in accordance with the provisions of the Open and Public Meetings Act; or

1.3.1.2. The item is raised by a member of the public, but only at the discretion of the Mayor.

1.3.2. Before any final action may be taken on an item of Council business, such item shall have been listed under an agenda item included in a public notice, unless the item is the proper subject of an emergency meeting convened in accordance with the provisions of the Open and Public Meetings Act.

1.3.3. Before any final action may be taken on an item of Council business, excluding consent agenda items, the Council shall have received the recommendation of administrative staff that the item has been appropriately studied and briefed, considering the significance of the matter under consideration. For purposes of this subsection, significance shall generally be measured in terms of potential financial impact but may be in terms of other measures as well, such as strategic importance. At minimum, appropriate analysis must include discussion of financial and legal considerations. If staff has not recommended that appropriate study and briefing has been completed, the Council may elect to proceed with final action by voting to suspend these Rules, prior to voting to take final action.

~~1.3.3.~~1.3.4. Items may be placed on the agenda by the Mayor, by the City Manager, or by any two Councilmembers.

~~1.3.4.~~1.3.5. To allow the Council adequate time to study agenda items in advance of meetings, all agenda items and packet materials must be received by the Mayor or City Manager by ~~8:00 a.m. on the Friday preceding~~ 4:00 p.m. on the day 7 days prior to the meeting in which the item will be considered, or the item will be placed on the agenda for the next following meeting. Administrative staff shall make all reasonable efforts to distribute meeting packet materials to the Council by 5:00 p.m. on the day 7 days prior to the meeting.

## **1.4. Order of Business**

Each regular meeting shall be conducted in the following order:

1.4.1. Opening Ceremonies

- 1.4.1.1. Welcome, Introduction and Preliminary Matters
- 1.4.1.2. Serious Moment of Reflection/Pledge of Allegiance
- 1.4.1.3. Special recognitions
- 1.4.2. Approval of Minutes. Councilmembers will have had prior opportunity to review the minutes of prior meetings. The Mayor will ask the Council if there are any changes or corrections. Requests for verbatim transcriptions are disfavored. Once changes and corrections have been made, if any, the Mayor will solicit a motion to adopt the minutes, and a vote will be taken. Once the minutes have been adopted, they become the final, official record of the relevant meeting.
- 1.4.3. Public Comment. Members of the public are encouraged to address the Council. Comments on any topic relevant to the public interest in the City are welcome **but, at the Mayor's discretion, comments relating** to items on the agenda may be reserved until such agenda items are taken up. Commenters shall begin by stating their full name, place of residence, and any position or relationship relevant to the comment. If numerous public comments are anticipated, each commenter may be limited to three minutes per comment, at the discretion of the Mayor. **In the Mayor's discretion, she or he may respond** or ask questions to a commenter after a comment is made or may allow a Councilmember or member of the administration to respond or ask questions. No Council action can be taken on a topic raised in public comment until a subsequent council meeting.
- 1.4.4. Informational Summaries. By invitation of the Mayor, two Councilmembers, or administrative staff, a member of the public may present an informational summary to the Council. Information summaries are intended to offer a place on the agenda for community partners, proponents of major projects, and individuals with significant grievances to give the Council an informative report beyond the strictures of Public Comment. Presenters shall be required to submit a written statement or report to the City at least one week before the next regular council meeting to be placed on the agenda. During the Informational Summary portion of the relevant meeting, any oral presentation shall be limited to the subject matter of the submitted written material and shall be no longer than ten minutes. **In the Mayor's discretion, she or he may respond or ask questions to**

the presenter after a presentation is finished or may allow a Councilmember or member of the administration to respond or ask questions.

1.4.5. Council Comments. Councilmembers may address brief comments to the Council or to the public at large, but the Council shall not **discuss or take any action on councilmembers' comments.**

1.4.6. Oversight Items

1.4.6.1. Financial and Check Registry Review and Approval

1.4.6.2. Ratification of Utility Board Actions

1.4.6.3. **City Manager's Report.** The City Manager reports to the Council every month in writing. This report is intended to be a brief oral summary of the written report, and an opportunity for Councilmembers to ask questions regarding the written report.

1.4.6.4. **Mayor's Report.** The Mayor will report, and councilmembers will have the opportunity to ask questions on **the Mayor's recent** activities, as well as any other matters the Mayor desires to present that do not require Council action, such as community events or correspondence to the City. **The Mayor's Report will** also be delivered to the Council in writing.

1.4.7. Action Items

1.4.7.1. Consent Agenda. The consent agenda lists Council action items which require no further discussion or which are routine in nature, such as contracts negotiated by the city administration. The Mayor may ask if any Councilmember has a question regarding a consent agenda item. All items on the consent agenda shall be adopted by a single motion and roll call vote. Prior to the motion to adopt the consent agenda, any Councilmember may have an item removed from the consent agenda in order to permit discussion on that item under unfinished council business. A motion to adopt the consent agenda will list separately each consent agenda item proposed to be adopted by consent.

1.4.7.2. Appointments. After the Council has had the opportunity in a work meeting to be introduced to and ask questions of a candidate

subject to appointment by the Mayor or City Manager to a board, committee, or public official position, the City Council gives its advice and consent for the appointment in a subsequent regular meeting.

1.4.7.3. Unfinished Council Business. Items of Council business that have been previously considered in a prior council meeting, may after discussion be taken up by motion for final action, or may be referred to another council meeting for further consideration.

1.4.7.4. New Council Business. New items of business being **recommended for the Council's consideration for the first time** will be presented by **the item's sponsor (councilmember, mayor, staff member, or other presenter)**, whose name will be listed with the item on the **agenda**. **If, in the Mayor's discretion, she or he** deems that immediate action on the new business item is advisable, or the Council votes to suspend these Rules, the Council may take final action on the item by motion. Otherwise, the Council will discuss the new business item and may by motion (a) decline to address the proposed item, (b) postpone considering the item to a New Council Business agenda on a subsequent regular meeting, (c) refer the item to a work meeting for further study, or (d) refer the item to the unfinished counsel business agenda of a future regular council meeting for further action.

1.4.7.5. Public Hearing (if required). A public hearing provides an opportunity for all interested parties to be heard on a particular item of Council business. Public hearings are sometimes required by law before final action can be taken but may be called by the Council on any topic that the Council would like public input on. First, the Mayor or a member of the administrative staff having knowledge about the issue will present information about it and answer questions. Then, before the Council holds any discussion or takes any action, all parties interested in addressing the issue will be invited to speak. When all input has been heard, the Mayor will close the public hearing. After discussion, the Council will take action on the topic of the public hearing by motion.

1.4.8. Executive Session. In certain circumstances, the Council may discuss a matter in a closed meeting with only the Councilmembers and essential administrative staff present. Such a meeting may be held

upon the affirmative vote of 2/3 of the Councilmembers present at the meeting. (U.C.A. Sec. 52-4-204(1)(a)(iii)). Closed meetings may only be held for purposes deemed lawful under Utah State law, as provided in U.C.A. § 52-4-205, as amended, which are:

- (a) Discussion of the character, professional competence, or physical or mental health of an individual;
- (b) Strategy sessions to discuss collective bargaining;
- (c) Strategy sessions to discuss pending or reasonably imminent litigation;
- (d) Strategy sessions to discuss the purchase, exchange or lease of real property, including any form of a water right or water shares, if public discussion of the transaction would disclose the appraisal or estimated value of the property under consideration, or prevent the public body from completing the transaction on the best possible terms;
- (e) Strategy sessions to discuss the sale of real property including any form of a water right or water shares, if: (1) public discussion of the transaction would disclose the appraisal or estimated value of the property under consideration or prevent the public body from completing the transaction on the best possible terms; (2) the public body previously gave public notice that the property would be offered for sale; and (3) the terms of the sale are publicly disclosed before the public body approves the sale;
- (f) Discussion regarding deployment of security personnel, devices or systems; and
- (g) Investigative proceedings regarding allegations of criminal misconduct.

The reason for holding a Closed Meeting and the vote, either for or against the proposition to hold such a meeting, cast by each member by name, shall be entered on the minutes of the meeting. No ordinance, resolution, rule, regulation, contract, or appointment shall be approved in a Closed Meeting. Unless a meeting is closed to discuss the character, professional competence, or physical or mental health

of an individual or to discuss the deployment of security personnel, devices or systems, the City Council shall record the closed portion of the meeting, and may keep detailed written minutes that disclose the content of the closed portion of the meeting. Recordings and written minutes of closed meetings are protected records under Title 63G, Chapter 2, Government Records Access and Management Act (GRAMA) and unauthorized disclosure triggers criminal penalties. If the City Council closes a meeting exclusively to discuss the character, professional competence, or physical or mental health of an individual, or to discuss the deployment of security personnel, devices or systems, the person presiding shall sign a sworn statement affirming that such was the sole purpose for closing the meeting. Actions challenging the legality of a closed meeting are governed by U.C.A. § 52-4-304.

#### 1.4.9. Calendar of Upcoming Events

1.4.10. Scheduling. The Recorder will inform those in attendance of the next regular council meeting. The Mayor will consult with the Council and schedule additional dates for work sessions or special meetings, as necessary.

1.4.11. Adjournment.

### **1.5. Processing of Action Items**

Each council meeting shall progress according to the agenda, unless the Mayor by general consent takes up an agenda item out of sequence or postpones an agenda item until later in the meeting. Individual action items on the agenda shall proceed as follows:

1.5.1. The Mayor clearly announces the agenda item number and clearly states what the agenda item subject is.

1.5.2. The Mayor invites the appropriate person to report on the agenda item, including any recommendation that they might have.

1.5.3. The Mayor asks members of the Council if they have any technical questions of clarification.

1.5.4. If in the context of a public hearing, the Mayor invites public input on the agenda item. If numerous members of the public are

anticipated to offer public input, the mayor may limit the time of public speakers. At the conclusion of the public input, the Mayor will announce that the public hearing is closed.

- 1.5.5. If there is no public hearing, the Mayor may invite public comment.
- 1.5.6. The Mayor invites a motion on the action item.
- 1.5.7. If no motion is forthcoming, the Mayor may ask for discussion and then invite a motion again.
- 1.5.8. Once a motion is made, the Mayor asks if any other Councilmember wishes to second the motion.
- 1.5.9. If there is no second for the motion, then the motion is deemed to have died.
- 1.5.10. If the motion is seconded, the Mayor will announce the name of the Councilmember who made the motion and the name of the Councilmember who seconded the motion, and restate the motion that has been made.
- 1.5.11. The Mayor invites discussion of the motion on the table. The sponsor of the motion will be allowed to speak first and last.
- 1.5.12. During discussion, any of the following procedural motions will be considered without debate:
  - 1.5.12.1. Motion to recess
  - 1.5.12.2. Motion to adjourn
  - 1.5.12.3. Motion to adjourn at a set time
  - 1.5.12.4. Motion to suspend the rules (requires a two-thirds majority)
  - 1.5.12.5. Motion to call for a vote
  - 1.5.12.6. Motion to table the motion to later in the same meeting
  - 1.5.12.7. Motion to table the motion to a set time and date
  - 1.5.12.8. Motion to table the motion indefinitely



- 1.5.12.9. Motion to refer the motion to a committee
- 1.5.12.10. Motion to limit debate on a motion
- 1.5.12.11. Motion to amend the motion
- 1.5.13. At any time before motion amendment or voting, the sponsor of the motion may withdraw the motion, with the consent of the Mayor.
- 1.5.14. Any Councilmember who wishes to speak must raise their hand after the current speaker finishes. The Mayor will call upon each member by name. Once a member has been recognized, they have the floor and may begin speaking. No interruptions will be allowed, except for a procedural motion, or to answer questions posed by the Councilmember who has the floor. After such a question has been answered, the Councilmember will retain the floor unless and until the Councilmember yields the floor.
- 1.5.15. If there is no discussion, or after the discussion has ended, the Mayor will call for a vote on the motion. The Mayor should repeat the motion again if there has been substantial discussion.
- 1.5.16. After a roll call vote, the Mayor announces the result of the vote and what action (if any) the Council has taken.

## **1.6. Motions**

- 1.6.1. General Consent. For procedural motions that do not require a roll call vote, the Mayor may use general consent. After a motion has been made and seconded, and the Mayor feels the council is all in agreement, the Mayor asks if there are any objections to the motion. After a pause, if there are no objections the Mayor states that the motion is approved. If there is an objection, then the motion is put to a regular vote. A Councilmember may vote in favor of a motion after objecting, as when the member feels it is important to have a formal vote.
- 1.6.2. Motions to Reconsider. A Councilmember who voted on the prevailing side of an item previously voted on in the same or an immediately preceding meeting may make a motion to reconsider the decision. A vote shall not be taken on a motion to reconsider made at a subsequent special meeting unless the number of Councilmembers

present at the special meeting is greater than or equal to the number of Councilmembers who voted on the original motion. Any discussion on a motion to reconsider shall relate to the reason for reconsideration only, such as any new information received or mistake discovered since the action was taken, and not to the merits of the original motion. If the motion to reconsider is successful, the Mayor shall announce the names of the members who made and seconded the original motion, and restate the motion, then call for any discussion. If there is no discussion, or after discussion has concluded, the Mayor shall call for a new vote on the original motion.

1.6.3. Motions to Amend. The intent of an amendment is to modify the original motion by inserting, adding to, striking out, and striking out and inserting language in the original motion. A motion to amend a motion should relate to the same subject as the original motion. This ensures that the Council will vote on one matter at a time. A motion to amend should not have as its intent a reversal of the main motion. For example, if the main motion is to adopt an ordinance, it is not a proper motion to submit an amendment to "not" adopt the ordinance. Amendments to the main motion are discussed and voted on before the main motion. Only the amendment is discussed - not the main motion. If the amendment fails, then discussion and voting on the main motion, as originally stated, follows. If the amended motion passes, the amended motion becomes the main motion. The Mayor will proceed with an amendment motion in the same manner as a main motion. In conducting a Council discussion on an amendment motion, the sponsor of such motion is allowed to speak first. All other Council Members are allowed to address the issue after that. The author of the amendment motion is also allowed to make a summation. 19 Any Council Member may move to amend any proposed ordinance or proposed resolution; provided, however, that no amendment shall change the original purpose. Any amendments to a proposed ordinance or proposed resolution recommended by a committee of the Council shall be made to the appropriate document prior to its appearing on the Consent Agenda. Such amendment will be noted in the Council minutes

#### 1.6.4. Voting

- 1.6.4.1. Voting shall be in the form of **“yes,” “no,”** or **“abstain.”** All votes requiring a majority shall be a majority of the quorum present, except where State law require otherwise.
- 1.6.4.2. A Councilmember voting **“abstain”** shall be required to state the reason for abstaining and such reason shall be entered in the minutes of the meeting. An abstention shall not be counted as either a yes or a no vote, nor for purposes of calculating a majority. A Councilmember who abstains on a question, or is absent during voting, may not move to reconsider that question.
- 1.6.4.3. In the case of a tie vote, the Mayor shall cast the deciding vote.
- 1.6.4.4. Council members shall not explain their votes during the call of the roll or at the time of a voice vote. However, at the conclusion of the vote, any Council member may request a point of personal privilege to give an explanation of their vote.

#### **1.7. Committees**

- 1.7.1. The City Council may, from time to time, create, revise, or abolish any and all Council committees, or make any changes to the committee structure. The City Council may create any special or ad hoc committee for any specific purpose proper for Council consideration. When such committee is created, its purpose and a relevant time frame will be established.
- 1.7.2. **Upon completion of a committee’s purpose, the committee through** its chair or designee shall deliver its written report in a meeting of the Council and may summarize the report orally. After the final report of the committee, the special or ad hoc committee of the Council will be abolished.
- 1.7.3. The City Council may or may not elect to formally participate, either by its own membership or its designees, in a committee being established by the Mayor.
- 1.7.4. Any standing committee, or the Council as a whole, may resolve to sit as an oversight committee for the purpose of investigating items

relating to the conduct of City business. However, no powers are accorded the committee other than those provided by state law.

1.7.5. All meetings of Council committees, standing, ad hoc, oversight, shall provide notice in conformance with the Utah Open and Public Meetings Act.

## **1.8. Rules to Govern Councilmember Conduct**

1.8.1. At regular meetings of the City Council, Councilmembers shall speak only after being recognized by the Mayor. Any meeting designated as a work meeting shall be more informal and Councilmembers may freely participate as long as proper decorum is maintained.

1.8.2. Councilmembers shall conduct themselves at all times with decorum and respect.

1.8.3. Councilmembers shall refrain from making any disparaging remarks concerning any other member of the Council or the public.

1.8.4. Councilmembers shall avoid references to personalities, and refrain from questioning motives of other members or staff.

1.8.5. No Councilmember shall walk about, in or out of the Council Chamber while the Mayor is calling the vote.

1.8.6. Councilmembers should avoid engaging in private discourse or committing any other act which may tend to distract the attention of the Council or the audience from the business before the Council or **interfere with any person's right to be heard after recognition by the Mayor.**

1.8.7. When debating a specific subject before the Council, Councilmembers shall confine their remarks to the topic under discussion or debate. Anyone engaging in discussion or debate beyond the topic before the Council shall be ordered to stop by the Mayor.

1.8.8. Any Councilmember may be expelled from a portion or the remainder of a meeting in the event of : (a) disorderly conduct at the open public meeting; (b) a member's direct or indirect financial conflict of interest regarding an issue discussed at or action proposed to be taken at the open public meeting; or (c) commission of a crime during the open public meeting.

## **1.9. Rules to Govern Conduct of Members of the Public**

- 1.9.1. Other than at public hearing or public comment portions of the meeting, members of the public shall not be allowed to participate in the meeting unless they are on the agenda or requested to present to the Council by the Mayor.
- 1.9.2. No member of the public shall be heard until recognized by the Mayor.
- 1.9.3. Members of the public shall avoid personal attacks, demonstrations, or outbursts without being recognized.
- 1.9.4. Members of the public must address their remarks directly to the Council as a body concerning the agenda business.
- 1.9.5. Members of the public shall observe proper decorum and must not behave disruptively.
- 1.9.6. When speaking or discussing before the Council, members of the public shall confine their remarks to the question under discussion, avoiding personalities. Anyone engaging in discussion beyond the question before the Council shall be ordered to stop by the Mayor, and no further discussion will be allowed by said person.
- 1.9.7. **It is the Council's goal that residents of the City resolve their complaints for service or regarding employees' performance at the staff level.** However, it is recognized that residents may from time to time believe it is necessary to speak to City Council on matters of concern. Accordingly, the City Council expects any person presenting to the city council to speak in a civil manner, with due respect for the decorum of the meeting, and with due respect for all persons attending.
- 1.9.8. Personal attacks made publicly toward any person or city employee are not allowed. Speakers are encouraged to bring their complaints regarding employee performance through the supervisory chain of **command in accordance with the City's Personnel Policies.**
- 1.9.9. Any member of the public interrupting City Council proceedings, approaching the dais without permission, otherwise creating a disturbance, or failing to abide by these rules of procedure in

addressing City Council, shall be deemed to have disrupted a public meeting and, upon a two-thirds vote of the Council, shall be removed from Council chambers by Police Department personnel or other agent designated by City Council or City Manager

## **1.10. Investigations**

1.10.1. Hildale City takes seriously allegations of official misconduct of all kinds, whether malfeasance and nonfeasance; particularly regarding fraud, misrepresentation, theft, and ethical breaches of elected or appointed public officials and employees, and discrimination based on membership in any class protected by law.

1.10.2. If a member of the City Council or the public alleges or suspects that official misconduct has been or is being committed by a public official or city, they should notify the Mayor, the City Manager and the City Attorney. If the Mayor, City Manager and City Attorney determine there is a reasonable suspicion of official misconduct, the matter should be placed on the next council meeting agenda for an executive session. In the discretion of the Mayor, the individual accused of misconduct may or may not be invited to participate in the executive session. After the conclusion of the executive session provided for hereunder, the Mayor shall in an open meeting call for a motion to refer the matter for an investigation into the conduct discussed in the executive session, without being specific as to the nature of the alleged conduct or the identity of the alleged perpetrator. If such a motion is made and is successful, the Mayor shall direct the Recorder to prepare a summary of the executive session recording in a memorandum to the City Attorney. The City Attorney shall thereafter investigate the allegations and report their findings in writing to the Mayor and City Manager. If the City Attorney finds that official misconduct probably occurred, the Mayor and City Manager shall take any appropriate administrative action, then they shall place the matter on the next council meeting agenda for an executive session and there review their findings and actions taken with the members of the City Council.

1.10.3. No member of the public or the City Council may initiate investigative proceedings within the City except through the process described herein but may resort to any other processes and remedies provided by state law.

## **OFF HIGHWAY VEHICLES:**

A. Definitions: For purposes of this section, the following terms shall have the following meanings:

**ALL-TERRAIN TYPE I VEHICLE:** Any motor vehicle fifty two inches (52") or less in width, having an unladen dry weight of eight hundred (800) pounds or less, traveling on three (3) or more low pressure tires, having a seat designed to be straddled by the operator and designed for or capable of travel over unimproved roads.

**ALL-TERRAIN TYPE II VEHICLE:** Any other motor vehicle not defined herein as an "all-terrain type I vehicle" designed for or capable of travel over unimproved terrain. This term does not include golf carts, any vehicle designed to carry a disabled person, any vehicle not specifically designed for recreational use, or farm tractors as defined under section 41-1a-102 of the Utah code.

**MOTORCYCLE:** Every motor vehicle having a saddle for the use of the operator and designed to travel on not more than two (2) tires.

**OFF HIGHWAY VEHICLE:** All all-terrain type I and type II vehicles and motorcycles, but shall not include snowmobiles. (Ord. 03-3-20, 3-20-2003; amd. Ord. 2004-12, 4-15-2004; Ord. 2009-14, 10-1-2009)

B. Registration Of Vehicle: Unless exempted under section 41-22-9 of the Utah code, a person may not operate or transport and an owner may not give another person permission to operate or transport, any off highway vehicle on any public land, trail, street, or highway within the city of Hildale unless the off highway vehicle has been registered in accordance with the requirements of title 41, chapter 22 of the Utah code for the current year. (Ord. 03-3-20, 3-20-2003)

C. Equipment Requirements: All off highway vehicles, as defined herein,

1. Shall be equipped with:
  - a. Brakes adequate to control the movement of and to stop and hold the vehicle under normal operating conditions; and (Ord. 2008-12, 6-19-2008)
  - b. A noise control device that conforms to U.S. forest service standards of ninety three (93) decibels or less.
2. Headlights and taillights shall be used when operated between sunset and sunrise. (Ord. 2009-14, 10-1-2009)

D. Protective Headgear:

1. A person under the age of eighteen (18) may not operate or ride on an all-terrain type I vehicle or motorcycle on any public land, trail, street, or highway within the city of Hildale unless the person is

wearing properly fitted and fastened, United States department of transportation safety rated protective headgear designed for motorized vehicle use.

2. The owner of an off highway vehicle or any other person may not give permission to a person who is under the age of eighteen (18) years to operate or ride on an off highway vehicle in violation of this subsection D.

#### E. Restrictions On Privately Owned Lands:

1. No person shall operate or accompany a person operating an off highway vehicle upon privately owned land of any other person, firm or corporation without permission from the owner or person in charge.
2. It shall be unlawful for any person operating or accompanying a person operating an off highway vehicle to refuse to immediately leave private land upon request of the owner or person in charge of such land.
3. Subsections E1 and E2 of this section shall not apply to prescriptive easements on privately owned land.
4. No person operating or accompanying a person operating an off highway vehicle shall obstruct any entrance or exit to private property without the owner's permission.
5. It shall be unlawful for any person to tear down, mutilate, or destroy any sign, signboards, or other notice which regulates trespassing for purposes of operating an off highway vehicle on privately owned land, or to tear down, deface, or destroy any fence or other enclosure or any gate or bars belonging to any such fence or enclosure.

F. Prohibited Uses: No person may operate an off highway vehicle in connection with acts of vandalism, harassment of wildlife or domestic animals, burglaries or other crimes, or damage to the environment which includes excessive pollution of air, water, or land, abuse of the watershed, impairment of plant or animal life, or excessive mechanical noise.

G. Supervision, Safety Certificate Or Driver's License Required: A person may not operate and an owner may not give that person permission to operate an off highway vehicle on any public land, trail, street or highway within the city of Hildale unless the person:

1. Is under the direct supervision of a certified off highway vehicle safety instructor during a scheduled safety course,
2. Has in his possession the appropriate safety certificate issued by the state of Utah, or
3. Has in his possession a valid motor vehicle operator's license.



H. Operation By Minors:

1. Persons Under Age Eight: Except as provided in section 41-22-29(3) of the Utah code, a person under the age of eight (8) may not operate and an owner may not give another person who is under eight (8) permission to operate an off highway vehicle on any public land, trail, street, or highway within the city of Hildale.
2. Persons Under Age Sixteen: Any operator of an off highway vehicle who is under the age of sixteen (16) shall be under the direct visual supervision of an adult who is at least eighteen (18) years of age while using a route designated under subsection I of this section. (Ord. 03-3-20, 3-20-2003)

I. Designation Of Routes:

1. Within the city of Hildale, the following streets are designated as the only off highway vehicle routes within the city of Hildale for the specific purpose of allowing off highway vehicle operators to gain access to or from a private or public area open for off highway vehicle use:

a. Utah Ave.

Utah Ave. -East- Water Canyon Rd. and Maxwell Rd. ending at city limits

b. Uzona Ave.

Hildale St. - West – end of city limits

c. Jessop Ave.

Mulberry St. -West- Juniper St.

d. Hildale St.

Uzona Ave. - North – Jessop Ave

e. Elm St.

Uzona Ave. - North – end of city limits

f. Mulberry St.

Uzona Ave. - North – end of city limits

2. Except for off highway implements of husbandry used only in agricultural operations, a person may not operate an off highway vehicle on any street within the city of Hildale for any purpose other than to gain direct access to the streets designated as off highway vehicle routes in subsection I1 of this section for the specific purpose of using these routes to gain direct access to or from a private or public area open for off highway vehicles, or as required for fueling and/or maintenance.

J. Speed/Regulations: Any person operating an off highway vehicle is subject to the provisions of Utah Code Annotated, unless specifically excluded. (Ord. 2009-14, 10-1-2009)

February 9, 2020

To: Hildale, Utah City Council

**Re: Impact fee modification**

I wanted to write and address a concern I have had for a couple of months. In November 2019, the Hildale City Council was approached by a development requesting a waiving of impact fees. The council at that time gave some indication that these fees could be waived. I want to address some of the challenges that this might pose for the Hildale community. Although I will not be speaking to the referred development directly, it goes without saying that it was this request that has brought the concern over the potential of an unhealthy precedence being set in the community.

Legislative bodies in the state of Utah are allowed to modify, waive, or adjust impact fees. However, if a council chooses to make these decisions, they should do so with great prudence and preferably within the safety of sound policies and procedures. These policies should be based upon clarity of request, analysis of the impact of the decision, and reasonable decision-making procedures to ensure the council's conclusion is not considered arbitrary, or worse yet, discriminatory.

The first concern, I would ask the council to consider, is how to ensure that the waiving or modification of an impact fee can be applied equitably with all requests. The challenge may not arise with the first request but subsequent requests that might be treated differently. Although every request can be evaluated on its own merit, procedural equity should be ensured. Meaning that although the decision can be varied case-by-case, the procedure for the application should be equitable to all parties. Furthermore, by creating a rational basis (adequate findings) for each decision, the council will reduce their vulnerability for potential claims. It is for this reason that I would recommend that the council establish policies and procedures to guide them on requests such as these. As a suggestion, the following should be considered.

1. Standardized request form. This form would provide clarity and background information to the council and avoid potential future misunderstandings.
2. An economic analysis of the impact the request would have upon the Capital Facilities Plan.
3. Legal review.
4. Procedural policies the council would like to follow in the evaluation of these requests. I.e. identifying funding for unfunded capital facilities projects, public input, basis for approval or denial, findings criteria, etc.
5. Decisions should be based upon established findings. These findings can be specific or general based upon the guidance of the policy.

Second, since the communities of Hildale, Utah, and Colorado City, Arizona share an integrated utility system, consideration must be made on how a decision on impact fees could impact the overall system. A foregone impact fee may affect a future capital investment affecting the entire system, thereby putting the other community in a disadvantaged position. Because there is variation between the impact fee authority granted the two city councils by their respective state, a unilateral decision by one city could create a jeopardy situation for the other community. Addressing this concern could be included in future established policies.

As the federal court monitor, I feel it necessary to bring these concerns to your attention to assist the community in minimizing the potential for future discriminatory claims. I would look forward to having further discussion on this issue with the council.

Sincerely,

Roger Carter  
Court Monitor

## Council Work Session Items

Priority No.	Work Session Items	Status	Sponsor
	Animals Ordinance	Management is working with Colorado City to update	Maha Layton
	Attracting 4 New Businesses	Management is tracking results	Stacy Seay
	Branding Campaign	Logo updated - what next?	Maha Layton
	Creation of Economic Committee	?	Jvar Dutson
	Creation of Tourism and Recreation Committee		Donia Jessop
	Curfew Ordinance	Sent back to regular meeting for final action	Stacy Seay
	Dark skies ordinance	?	Maha Layton
	Development of Water Treatment Facility	In progress through utilities	Maha Layton
	Downtown Hildale City Center	Postponed to 2020	Maha Layton
	Hildale Residential Mail Delivery		Stacy Seay
	Lease Renewal and Expansion of Maxwell Park	Management working with BLM to finalize	Stacy Seay
	Maxwell Water Sales	On hold pending Utility Department work on water source	Jvar Dutson
	Police Building	?	Stacy Seay
	Welcome Center	On hold pending branding	Lawrence Barlow
	Welcome Sign	On hold pending branding	Lawrence Barlow