

1. January 8, 2020 Town Council Agenda

Documents:

[010820TCA.COURTESY.PDF](#)

2. January 8, 2020 Packet Materials

Documents:

[ITEM B1 - 2018-19 AUDIT PRESENTATION.REV.PDF](#)

[ITEM B2 - CPA ENGAGEMENT LETTER.PDF](#)

[ITEM B3 - LOCAL CONSENT - STAGE COACH GRILLE.PDF](#)

[ITEM B4 - PROSECUTION SERVICES AGREEMENT AMENDMENT.PDF](#)

[ITEM B5 - R2020-01 FEE SCHEDULE REVISIONS.PDF](#)

[ITEM B10 - BLANKET LOCAL CONSENT 2020.PDF](#)

[ITEM C1 - ANNUAL PARKING PROGRAM REVIEW.PDF](#)



118 Lion Blvd PO Box 187 Springdale UT 84767 * 435-772-3434 fax 435-772-3952

TOWN COUNCIL NOTICE AND AGENDA

THE SPRINGDALE TOWN COUNCIL WILL HOLD A MEETING ON WEDNESDAY, JANUARY 8, 2020
AT THE CANYON COMMUNITY CENTER, 126 LION BLVD., SPRINGDALE, UTAH
MEETING STARTS AT 5:00PM.

Pledge of Allegiance

Swearing in of Lisa Zumpft as re-elected Council member

Swearing in of Suzanne Elger as newly-elected Council member

Approval of the meeting agenda

A. Announcements/Information/Community Questions

1. General announcements
2. Zion National Park update – Superintendent Bradybaugh
3. Council department reports
4. Community questions and comments

B. Administrative Action Items

1. Audit presentation for the 2018-19 budget – Caleb Rees, Rees & Hughes Public Accountants
2. Consideration and approval of engagement letter from Rees & Hughes Public Accountants for auditor services for fiscal year 2019-20
3. Request for Full-service Restaurant Liquor Local Consent for Stage Coach Grille, 2400 Zion Park Blvd (Majestic View Lodge) – Richard Tabish
4. Consideration and approval of an amendment to the Prosecution Services Agreement with Zachary Weiland
5. Resolution 2020-01, a resolution revising the fee schedule for Town operations, including fees related to loss of water from private unmetered fire service connections, animal boarding, and event permit applications
6. Appointment of Mayor pro tempore
7. Appointment of Barbara Bruno as Planning Commissioner for term expiring September 2022
8. Appointment of Eric Rioux as Planning Commission first alternate for term expiring January 2023
9. Appointment of Dawn McComb as Planning Commission second alternate for term expiring February 2023
10. Request for blanket approval for up to 12 single event permits in 2020 for Bit & Spur Associates, Inc., and Zion Brewery

C. Administrative Non-Action Items

1. Annual review of the Springdale Parking Management Program
2. Discussion of Council committee assignments
3. General Council discussion

D. Consent Agenda

1. Review of monthly invoices
2. Minutes: December 11th, December 26th

E. Adjourn

This notice is provided as a courtesy to the community and is not the official notice for this meeting/hearing. This notice is not required by town ordinance or policy. Failure of the Town to provide this notice or failure of a property owner, resident, or other interested party to receive this notice does not constitute a violation of the Town's noticing requirements or policies.

The Town of Springdale complies with the Americans with Disabilities Act by providing accommodations and auxiliary communicative aids and services for all those citizens in need of assistance. Persons requesting these accommodations for Town-sponsored public meetings, services, programs, or events should call Springdale Town Clerk Darci Carlson at 435-772-3434 at least 24 hours before the meeting.

Packet materials for agenda items will be available on the Town website by 5:00pm on January 3, 2020:
<http://www.springdaletown.com/AgendaCenter/Town-Council-4>

Town of Springdale

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019

Town of Springdale
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 June 30, 2019

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INDEPENDENT AUDITORS' REPORT

To the Town Council and Mayor
Springdale Town, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Springdale Utah as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Springdale'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 Town of Springdale Utah, 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, budgetary comparison information, schedule of the proportionate share of the net pension liability, and schedule of contributions 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 Town of Springdale Utah's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 November 1, 2019, on our consideration of the Town of Springdale'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Springdale's 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 Town of Springdale's internal control over financial reporting and compliance.

Rees CPA

Rees CPA
Cedar City, Utah
November 1, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Town of Springdale
Management's Discussion and Analysis
June 30, 2019

As management of Town of Springdale (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of financial activities of the Town for the fiscal year ended June 30, 2019.

FINANCIAL HIGHLIGHTS

- *Total net position for the Town as a whole increased by \$936,003
- *Total unrestricted net position for the Town as a whole decreased by \$216,983
- *Total net position for governmental activities increased by \$460,092
- *Total net position for business-type activities increased by \$475,912

BASIC FINANCIAL STATEMENTS

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statement of activities is presented on two pages. The first page reports the extent to which each function or program is self-supporting through fees and intergovernmental aid. The second page identifies the general revenues of the Town available to cover any remaining costs of the functions or programs.

Town of Springdale
Management's Discussion and Analysis
June 30, 2019

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

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

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

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

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

Proprietary funds. The Town maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses four enterprise funds to account for the operations of the water, sewer, irrigation and Building Authority activities.

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are reported later in this report; see Table of Contents.

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

Town of Springdale
Management's Discussion and Analysis
June 30, 2019

FINANCIAL ANALYSIS

Town of Springdale's Net Position

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Current and other assets	\$ 4,481,808	4,339,681	3,473,105	4,131,953	7,954,913	8,471,634
Net capital assets	5,844,184	5,283,417	14,214,778	12,559,071	20,058,961	17,842,488
Deferred outflows of resources	612,689	547,480	206,498	184,521	819,187	732,001
Total assets and deferred outflows	\$ 10,938,680	10,170,578	17,894,381	16,875,545	28,833,061	27,046,123
Long-term debt outstanding	\$ -	-	8,028,213	6,830,283	8,028,213	6,830,283
Other liabilities	1,627,873	1,023,255	759,988	1,134,851	2,387,861	2,158,106
Deferred inflows of resources	113,493	410,100	14,017	114,160	127,510	524,260
Total liabilities and deferred inflows	1,741,366	1,433,355	8,802,218	8,079,294	10,543,584	9,512,649
Net position:						
Net investment in capital assets	5,844,184	5,283,417	6,186,565	5,728,788	12,030,748	11,012,205
Restricted	735,660	735,660	353,579	219,136	1,089,239	954,796
Unrestricted	2,617,471	2,718,146	2,836,019	2,952,327	5,453,490	5,670,473
Total net position	\$ 9,197,315	8,737,223	9,376,163	8,900,251	18,573,478	17,637,474

As noted earlier, net position may serve over time as a useful indicator of financial position. Total assets and deferred outflows of resources exceeded total liabilities and deferred inflow of resources at the close of the year by \$18,573,478, an increase of \$936,004 from the previous year. This change is equivalent to the net income for the year, in private sector terms.

Total unrestricted net position at the end of the year are \$5,453,490 which represents an increase of -\$216,983 from the previous year. Unrestricted net position are those resources available to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

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

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

Town of Springdale
Management's Discussion and Analysis
June 30, 2019

Town of Springdale's Change in Net Position

	Governmental Activities		Business-type Activities		Total	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Program revenues:						
Charges for services	\$ 725,398	635,615	1,430,429	1,386,572	2,155,827	2,022,187
Operating grants	36,026	184,646	272,957	-	308,983	184,646
Capital grants	105,734	1,798,262	-	1,081,645	105,734	2,879,907
General revenues:						
Property taxes	79,322	73,440	-	-	79,322	73,440
Sales tax	652,782	626,095	-	-	652,782	626,095
Other taxes	2,528,728	2,412,973	-	-	2,528,728	2,412,973
Other revenues	177,557	118,478	35,919	29,377	213,476	147,855
Total revenues	4,305,547	5,849,507	1,739,305	2,497,594	6,044,852	8,347,103
Expenses:						
General government	744,961	618,965	-	-	744,961	618,965
Public safety	1,474,412	1,405,879	-	-	1,474,412	1,405,879
Public works	252,006	209,012	-	-	252,006	209,012
Parks and recreation	341,038	320,224	-	-	341,038	320,224
Community development	616,535	394,585	-	-	616,535	394,585
Transportation	360,439	55,957	-	-	360,439	55,957
Interest on long-term debt	-	227	-	-	-	227
Water	-	-	831,705	741,911	831,705	741,911
Sewer	-	-	297,762	297,365	297,762	297,365
Irrigation	-	-	132,478	109,188	132,478	109,188
Building Authority	-	-	57,513	58,394	57,513	58,394
Total expenses	3,789,390	3,004,851	1,319,458	1,206,858	5,108,849	4,211,707
Excess (deficiency) before transfers	516,156	2,844,656	419,847	1,290,736	936,003	4,135,396
Transfers in (out)	(712,129)	(46,064)	56,065	46,064	(656,064)	-
Change in net position	\$ (195,973)	2,798,593	475,912	1,336,800	279,939	4,135,396

For the Town as a whole, total revenues decreased by \$2,302,251 compared to the previous year, while total expenses increased by \$897,142. The total net change of \$279,939 is, in private sector terms, the net income for the year which is \$3,855,457 less than the previous year.

Governmental activities revenues of \$4,305,547 is a decrease of \$1,543,960 from the previous year. This is primarily due to an increase in tax revenues and grant revenues during the year. Governmental activities expenses of \$3,789,390 is an increase of \$784,539 from the previous year. While parks and recreation expenses decreased, all other department expenses increased.

Business-type activities revenue of \$1,739,305 is a decrease of \$758,289 from the previous year. Service revenues increased by \$43,857 and other revenues increased by \$6,542. Business-type activities expenses of \$1,319,458 is an increase of \$112,600 from the previous year. This is due to an overall increase in operation expenses.

Town of Springdale
Management's Discussion and Analysis
June 30, 2019

BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

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

General Fund

The fund balance of \$2,274,542 reflects an increase of \$70,392 from the previous year. Total revenues decreased by \$148,129. Tax revenues, including property taxes and sales taxes, increased by \$148,325. Intergovernmental revenue decreased by \$49,452. Revenues from charges for services decreased by \$163,765. All other revenues decreased \$38,744.

Total expenditures increased by \$544,074. General government expenditures increased by \$79,443, public safety expenditures decreased by \$97,664, public works expenditures increased by \$347,838, culture and recreation expenditures increased by \$19,163, and community development expenditures increased by \$195,295.

Fund balance restricted for Class C roads and public safety amounted to \$72,972 and \$27,188, respectively. The unassigned fund balance amounts to \$2,174,382.

Transportation Fund

At the end of the year there was a negative fund balance of \$113,745.

Water Fund

The change in net position (income) was \$533,910, which was \$823,385 less than the prior year's change in net position. Net position restricted for debt service is \$295,829. Unrestricted net position amounts to \$1,256,402.

Sewer Fund

The change in net position (net loss) was \$29,628, which was \$41,694 more than the previous year's net change. Unrestricted net position amounts to \$1,203,696.

Irrigation Fund

The change in net position (net loss) was \$83,844, which was \$38,087 more than the previous year's change in net position. Unrestricted net position amounts to \$84,146.

Building Authority Fund

The change in net position (net loss) was \$3,783, which was \$2,888 less than the previous year's change in net position. Unrestricted net position amounts to \$291,776.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues for the current year, exclusive of transfers and fund balance appropriations, were originally budgeted in the amount of \$3,409,033. This amount was amended in the final budget to \$3,497,494. Actual revenues, excluding transfers, amounted to \$3,666,816.

Expenditures for the current year, excluding transfers and budgeted increases in fund balance, were originally budgeted in the amount of \$3,996,202. This amount was amended in the final budget to \$4,063,733. Actual expenditures amounted to \$3,418,480.

Transfers in for the year were originally budgeted in the amount of \$10,000. The final budget for transfers in was for the amount of \$10,000. Actual transfers in were made in the amount of \$10,000. Transfers out for the year were originally budgeted in the amount of \$187,943. The final budget for transfers out was for the amount of \$187,943. Actual transfers out were made in the amount of \$187,943.

Town of Springdale
Management's Discussion and Analysis
June 30, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION

Town of Springdale's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Capital Assets:						
Land and water rights	\$ 439,835	439,835	291,344	291,344	731,180	731,180
Buildings	583,563	583,563	1,287,256	1,287,256	1,870,819	1,870,819
Improvements	1,324,437	1,300,187	60,842	60,842	1,385,279	1,361,029
Water system	-	-	6,590,320	6,590,320	6,590,320	6,590,320
Sewer system	-	-	2,438,613	2,438,613	2,438,613	2,438,613
Irrigation system	-	-	818,238	818,238	818,238	818,238
Machinery and equipment	945,346	930,371	791,416	746,491	1,736,762	1,676,862
Vehicles	558,341	558,341	301,107	261,555	859,448	819,896
Infrastructure	925,178	925,178	-	-	925,178	925,178
Work in progress	3,222,070	2,502,331	6,947,846	5,080,120	10,169,917	7,582,451
Total capital assets	7,998,771	7,239,807	19,526,982	17,574,780	27,525,753	24,814,586
Less accumulated depreciation	(2,154,587)	(1,956,389)	(5,312,205)	(5,015,708)	(7,466,792)	(6,972,098)
Net capital assets	\$ 5,844,184	5,283,417	14,214,778	12,559,071	20,058,961	17,842,489

The total amount of capital assets, net of depreciation, of \$20,058,961 is an increase of \$2,216,473 from the previous year.

Governmental activities capital assets, net of depreciation, of \$5,844,184 is an increase of \$560,766 from the previous year.

Business-type activities capital assets, net of depreciation, of \$14,214,778 is an increase of \$1,655,706 from the previous year.

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

Town of Springdale
Management's Discussion and Analysis
 June 30, 2019

Town of Springdale's Outstanding Debt

	Current Year	Previous Year
Business-type activities:		
2006 MBA Lease Revenue	\$ 824,000	860,000
2012 Water Revenue	63,213	68,213
2009 Sales Tax Revenue	1,399,000	1,462,000
2017 Water Treatment Plant Bond	5,742,000	4,440,069
Total business-type	\$ 8,028,213	6,830,282
 Total outstanding debt	\$ 8,028,213	6,830,282

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Town of Springdale's finances for all those with an interest in the Town's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Town of Springdale, P.O. Box 187, 84767 or call (435) 772-3434.

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BASIC FINANCIAL STATEMENTS

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Town of Springdale
STATEMENT OF NET POSITION
June 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Current assets:			
Cash and cash equivalents	\$ 3,181,650	3,015,780	6,197,430
Accounts receivable, net	1,087,756	103,746	1,191,503
Other assets	20,888	-	20,888
Total current assets	4,290,294	3,119,526	7,409,820
Non-current assets:			
Restricted cash and cash equivalents	191,514	353,579	545,093
Capital assets:			
Not being depreciated	3,661,906	7,239,191	10,901,096
Net of accumulated depreciation	2,182,278	6,975,587	9,157,865
Total non-current assets	6,035,698	14,568,357	20,604,054
Total assets	10,325,992	17,687,882	28,013,874
Deferred outflows of resources - pensions	612,689	206,498	819,187
Total assets and deferred outflows of resources	\$ 10,938,680	17,894,381	28,833,061
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 546,564	19,520	566,084
Accrued interest payable	-	29,015	29,015
Customer security deposits	-	10,525	10,525
Unearned Revenue	-	55,340	55,340
Long-term debt due within one year	-	284,000	284,000
Total current liabilities	546,564	398,400	944,964
Non-current liabilities:			
Compensated absences	27,930	6,561	34,491
Long-term debt due after one year	-	7,744,213	7,744,213
Net pension liability	1,053,378	355,027	1,408,405
Total non-current liabilities	1,081,309	8,105,801	9,187,109
Total liabilities	1,627,873	8,504,201	10,132,074
Deferred inflows of resources - property taxes	71,904	-	71,904
Deferred inflows of resources - pensions	41,589	14,017	55,606
Total liabilities and deferred inflows of resources	1,741,366	8,518,218	10,259,584
NET POSITION:			
Net investment in capital assets	5,844,184	6,186,565	12,030,748
Restricted	735,660	353,579	1,089,239
Unrestricted	2,617,471	2,836,019	5,453,490
Total net position	9,197,315	9,376,163	18,573,478
Total liabilities, deferred inflows of resources and net position	\$ 10,938,680	17,894,381	28,833,061

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

Town of Springdale
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue (To Next Page)
<u>FUNCTIONS/PROGRAMS:</u>					
Primary government:					
Governmental activities:					
General government	\$ 744,961	126,917	-	-	(618,043)
Public safety	1,474,412	58,909	12,402	-	(1,403,100)
Public works	252,006	-	23,624	-	(228,383)
Culture and recreation	341,038	6,575	-	105,734	(228,729)
Community development	616,535	-	-	-	(616,535)
Transportation	360,439	532,997	-	-	172,558
Total governmental activities	3,789,390	725,398	36,026	105,734	(2,922,232)
Business-type activities:					
Water	831,705	1,003,658	272,957	-	444,909
Sewer	297,762	319,584	-	-	21,822
Irrigation	132,478	48,634	-	-	(83,844)
Building Authority	57,513	58,553	-	-	1,040
Total business-type activities	1,319,458	1,430,429	272,957	-	383,928
Total primary government	\$ 5,108,849	2,155,827	308,983	105,734	(2,538,304)

(continued on next page)

Town of Springdale
STATEMENT OF ACTIVITIES (continued)
For the Year Ended June 30, 2019

	Governmental Activities	Business-type Activities	Total
CHANGES IN NET POSITION:			
Net (expense) revenue (from previous page)	\$ (2,922,232)	383,928	(2,538,304)
General revenues:			
Property taxes	79,322	-	79,322
Sales tax	652,782	-	652,782
Other taxes	2,528,728	-	2,528,728
Unrestricted investment earnings	142,870	35,919	178,789
Miscellaneous	34,687	-	34,687
Total general revenues	<u>3,438,388</u>	<u>35,919</u>	<u>3,474,308</u>
Transfers in (out)	<u>(56,065)</u>	<u>56,065</u>	<u>-</u>
Total general revenues and transfers	<u>3,382,323</u>	<u>91,984</u>	<u>3,474,308</u>
Change in net position	460,091	475,912	936,003
Net position - beginning	<u>8,737,223</u>	<u>8,900,251</u>	<u>17,637,474</u>
Net position - ending	<u>\$ 9,197,314</u>	<u>9,376,163</u>	<u>18,573,476</u>

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

Town of Springdale
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2019

	General Fund	Streets Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,421,842	745,189	1,014,619	3,181,650
Receivables:				
Customer accounts, net of allowances	9,749	-	-	9,749
Due from other funds	250,499	-	-	250,499
Due from other governments	731,522	-	-	731,522
Property tax - current levy	95,986	-	-	95,986
Other assets	20,888	-	-	20,888
Restricted cash and cash equivalents	100,160	-	91,354	191,514
TOTAL ASSETS	\$ 2,630,646	745,189	1,105,973	4,481,808
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities:				
Accounts payable	\$ 229,455	26	11,840	241,321
Due to other funds	-	-	250,499	250,499
Accrued liabilities	54,744	-	-	54,744
Total liabilities	284,200	26	262,339	546,564
Deferred inflows of resources - property taxes	71,904	-	-	71,904
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	356,104	26	262,339	618,468
FUND BALANCES:				
Restricted for:				
Class C roads	72,972	-	-	72,972
Public safety	27,188	-	-	27,188
Impact fees	-	-	635,500	635,500
Affordable housing	-	-	1,584	1,584
Assigned for:				
Capital projects	-	745,163	320,296	1,065,459
Unassigned	2,174,382	-	(113,745)	2,060,638
TOTAL FUND BALANCES	2,274,542	745,163	843,634	3,863,340
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,630,646	745,189	1,105,973	4,481,808

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

Town of Springdale
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2019

	General Fund	Streets Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property	\$ 79,322	-	-	79,322
Sales	652,782	-	-	652,782
Other taxes	2,528,728	-	-	2,528,728
License and permits	85,604	-	-	85,604
Intergovernmental revenues	36,026	-	-	36,026
Charges for services	77,034	-	532,997	610,031
Fines and forfeitures	29,764	-	-	29,764
Impact fees	-	-	105,734	105,734
Interest	142,870	-	-	142,870
Miscellaneous revenue	34,687	-	-	34,687
Total revenues	3,666,816	-	638,731	4,305,547
EXPENDITURES				
General government	728,638	-	-	728,638
Public safety	1,354,844	-	-	1,354,844
Transportation	-	-	326,121	326,121
Public works	578,754	313,808	-	892,562
Culture and recreation	294,691	-	-	294,691
Community development	583,431	-	5,265	588,696
Total expenditures	3,540,358	313,808	331,386	4,185,553
Excess (Deficiency) of Revenues over (Under) Expenditures	126,457	(313,808)	307,345	119,994
Other Financing Sources and (Uses)				
Transfers in	10,000	60,000	-	70,000
Transfers out	(66,065)	-	(60,000)	(126,065)
Total other financing sources and (uses)	(56,065)	60,000	(60,000)	(56,065)
Net Change in Fund Balances	70,392	(253,808)	247,345	63,929
Fund balances - beginning of year	2,204,150	998,971	596,290	3,799,411
Fund balance - end of year	\$ 2,274,542	745,163	843,634	3,863,340

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

Town of Springdale
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION**
 June 30, 2019

Total Fund Balance for Governmental Funds	<u>\$ 3,863,340</u>
Total net assets reported for governmental activities in the statement is different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds:	
Capital assets, at cost	7,998,771
Less accumulated depreciation	<u>(2,154,587)</u>
Net capital assets	<u>5,844,184</u>
Deferred outflows of resources - pensions, a consumption of net position that applies to future periods, is not shown in the funds statements.	
	<u>612,689</u>
Long-term liabilities, for funds other than enterprise funds, are recorded in the government-wide statements but not in the fund statements.	
Compensated absences	<u>(27,930)</u>
Net pension liability	<u>(1,053,378)</u>
Deferred inflows of resources - pensions	<u>(41,589)</u>
Total Net Position of Governmental Activities	<u><u>\$ 9,197,315</u></u>

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

Town of Springdale
**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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 63,929</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with a material cost are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expenses.	
Capital outlays	758,964
Depreciation expense	<u>(198,198)</u>
Net	<u>560,766</u>
The Statement of Activities show pension benefits and pension expenses from the adoption of GASB 68 that are not shown in the fund statements.	
	<u>(164,604)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 460,091</u></u>

Town of Springdale
STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2019

	Water Fund	Sewer Fund	Nonmajor Irrigation Fund	Building Authority	Total Enterprise Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:					
Assets:					
Current assets:					
Cash and cash equivalents	\$ 1,396,157	1,224,743	97,954	296,926	3,015,780
Accounts receivable, net	74,027	28,740	979	-	103,746
Total current assets	1,470,184	1,253,483	98,933	296,926	3,119,526
Non-current assets:					
Restricted cash and cash equivalents	295,829	-	-	57,750	353,579
Capital assets:					
Not being depreciated	7,047,846	132,444	58,900	-	7,239,191
Net of accumulated depreciation	4,774,349	858,198	430,857	912,183	6,975,587
Total non-current assets	12,118,024	990,642	489,757	969,933	14,568,357
Total assets	13,588,208	2,244,125	588,690	1,266,859	17,687,882
Deferred outflows of resources - pensions	129,849	58,731	17,918	-	206,498
Total assets and deferred outflows of resources	\$ 13,718,057	2,302,856	606,608	1,266,859	17,894,381
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:					
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 18,765	755	-	-	19,520
Accrued interest payable	23,865	-	-	5,150	29,015
Compensated absences	3,176	2,802	583	-	6,561
Customer security deposits	10,425	-	100	-	10,525
Unearned revenue	55,340	-	-	-	55,340
Long-term debt, current position	247,000	-	-	37,000	284,000
Total current liabilities	358,571	3,557	683	42,150	404,961
Non-current liabilities:					
Long-term debt, long-term portion	6,957,213	-	-	787,000	7,744,213
Net pension liability	223,246	100,975	30,806	-	355,027
Total non-current liabilities	7,180,459	100,975	30,806	787,000	8,099,240
Total liabilities	7,539,030	104,532	31,489	829,150	8,504,201
Deferred inflows of resources - pensions	8,814	3,987	1,216	-	14,017
Total liabilities and deferred inflows of resources	7,547,844	108,519	32,705	829,150	8,518,218
NET POSITION:					
Net investment in capital assets	4,617,982	990,642	489,757	88,183	6,186,565
Restricted for bond requirements	295,829	-	-	57,750	353,579
Unrestricted	1,256,402	1,203,696	84,146	291,776	2,836,019
Total net position	6,170,213	2,194,338	573,903	437,709	9,376,163
Total liabilities, deferred inflows of resources and net position	\$ 13,718,057	2,302,856	606,608	1,266,859	17,894,381

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

Town of Springdale
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN NET POSITION - PROPRIETARY FUND**

For the Year Ended June 30, 2019

	Water Fund	Sewer Fund	Nonmajor Irrigation Fund	Building Authority	Total Enterprise Funds
Operating income:					
Charges for sales and service	\$ 836,077	314,985	48,634	-	1,199,696
Connection fees	145,300	-	-	-	145,300
Other operating income	22,280	4,599	-	58,553	85,432
Total operating income	1,003,658	319,584	48,634	58,553	1,430,429
Operating expenses:					
Personnel services	404,524	126,614	46,265	-	577,404
Operating and maintenance	136,238	65,844	29,273	-	231,355
Utilities	48,521	16,003	8,704	-	73,228
Insurance expense	15,814	7,621	-	-	23,435
Other supplies and expenses	12,206	7,559	-	-	19,765
Bad debt expense	-	-	30,000	-	30,000
Depreciation expense	167,901	74,121	18,237	36,238	296,496
Total operating expense	785,204	297,762	132,478	36,238	1,251,682
Net operating income (loss)	218,454	21,822	(83,844)	22,315	178,747
Non-operating income (expense):					
Interest income	24,323	6,419	-	5,177	35,919
Interest on long-term debt	(46,501)	-	-	(21,275)	(67,776)
Total non-operating income (expense)	(22,178)	6,419	-	(16,098)	(31,857)
Income (loss) before transfers and capital contributions	196,275	28,241	(83,844)	6,217	146,890
Capital contributions	272,957	-	-	-	272,957
Transfers in	64,678	1,387	-	-	66,065
Transfers out	-	-	-	(10,000)	(10,000)
Change in net position	533,910	29,628	(83,844)	(3,783)	475,912
Net position - beginning	5,636,303	2,164,710	657,747	441,492	8,900,251
Net position - ending	\$ 6,170,213	2,194,338	573,903	437,709	9,376,163

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

Town of Springdale
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2019

	Water Fund	Sewer Fund	Nonmajor Irrigation Fund	Building Authority	Total Enterprise Funds
Cash flows from operating activities:					
Cash received from customers - service	\$ 1,011,271	323,031	144,144	58,553	1,536,999
Change in customer deposits	(375)	-	-	-	(375)
Cash paid to suppliers	(216,208)	(97,140)	(38,236)	-	(351,584)
Cash paid to employees	(369,640)	(110,836)	(41,451)	-	(521,926)
Net cash provided (used) in operating activities	425,049	115,056	64,457	58,553	663,114
Cash flows from noncapital financing activities:					
Transfers in (out)	64,678	1,387	-	(10,000)	56,065
Net cash provided (used) in noncapital financing activities	64,678	1,387	-	(10,000)	56,065
Cash flows from capital and related financing activities:					
Cash from capital grants	1,031,027	-	-	-	1,031,027
Cash from bond issues	1,301,931	-	-	-	1,301,931
Cash payments for capital assets	(2,667,765)	(14,975)	(14,975)	-	(2,697,715)
Cash payments for long-term debt principal	(68,000)	-	-	(36,000)	(104,000)
Cash payments for long-term debt interest	(29,048)	-	-	(21,500)	(50,548)
Net cash provided (used) in capital and related financing activities	(431,857)	(14,975)	(14,975)	(57,500)	(519,306)
Cash flows from investing activities:					
Cash received from interest earned	24,323	6,419	-	5,177	35,919
Net cash provided (used) in investing activities	24,323	6,419	-	5,177	35,919
Net increase (decrease) in cash	82,193	107,887	49,482	(3,770)	235,792
Cash balance, beginning	1,609,793	1,116,856	48,472	358,446	3,133,566
Cash balance, ending	\$ 1,691,986	1,224,743	97,954	354,676	3,369,358
Cash reported on the statement of net position:					
Cash and cash equivalents	\$ 1,396,157	1,224,743	97,954	296,926	3,015,780
Non-current restricted cash	295,829	-	-	57,750	353,579
Total cash and cash equivalents	\$ 1,691,986	1,224,743	97,954	354,676	3,369,358

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

Town of Springdale
STATEMENT OF CASH FLOWS (continued)
For the Year Ended June 30, 2019

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

	Water Fund	Sewer Fund	Nonmajor Irrigation Fund	Building Authority	Total Enterprise Funds
Net operating income (expense)	\$ 218,454	21,822	(83,844)	22,315	178,747
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:					
Depreciation and amortization	167,901	74,121	18,237	36,238	296,496
Changes in assets and liabilities:					
(Increase) decrease in receivables	7,614	3,447	125,510	-	136,570
(Increase) decrease in deferred outflows	(13,820)	(6,251)	(1,907)	-	(21,978)
Increase (decrease) in payables	(3,430)	(112)	(260)	-	(3,802)
Increase (decrease) in customer deposits	(375)	-	-	-	(375)
Increase (decrease) in net pension liability	111,676	50,512	15,410	-	177,598
Increase (decrease) in deferred inflows	(62,971)	(28,482)	(8,689)	-	(100,143)
Net cash provided (used) in operating activities	\$ 425,049	115,056	64,457	58,553	663,114

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

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1-A. Reporting entity

Town of Springdale (the Town), a municipal corporation located in Washington County, Utah, operates under a Mayor-Council form of government. The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable because of the significance of their operational or financial relationships with the Town.

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

1-B. Government-wide and fund financial statements

Government-wide Financial Statements

The government-wide financial statements, consisting of the statement of net position and the statement of activities report information on all the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports the financial position of the governmental and business-type activities of the Town and its discretely presented component units at year-end.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are not allocated. All expenses are included in the applicable function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privilege provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

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

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

Policy regarding use of restricted resources

When faced with a choice, it is the Town's policy to use restricted resources first, then committed and assigned amounts before spending unassigned amounts. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities.

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

1-D. Fund types and major funds

Governmental funds

The Town reports the following major governmental funds:

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

The *transportation fund* was established during the year to account for the activities of metered parking and related parking citations.

The Town reports the following non-major governmental funds:

The *parks capital projects fund* is used to account for the acquisition or construction of major capital facilities relating to Town parks.

The *streets capital projects fund* is used to account for the acquisition or construction of major capital facilities relating to Town streets.

The *affordable housing fund* was established during the year to account for affordable housing activity.

Proprietary funds

The Town reports the following major proprietary funds:

The *water fund* is used to account for the activities of the culinary water production, treatment and distribution.

The *sewer fund* is used to account for the activities of the sewer collection and treatment operations.

The *Municipal Building Authority* is used to account for the issuance of debt and receipt of donations for the community center.

The Town reports the following non-major proprietary funds:

The *irrigation fund* is used to account for the provision of irrigation water services to the residents of the Town.

1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1-E-1. Deposit and Investments

Cash includes cash on hand, demand deposits with bank and other financial institutions, deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition. The Town's policy allows for investment in fund in time certificates of deposit with federally insured depositories, investment in the state treasurer's pool, and other investments as allowed by the State of Utah's Money Management Act. All investments are carried at fair value with unrealized gains and losses recorded as adjustments to interest earnings. Fair market values are based on quoted market prices.

1-E-2. Cash and Cash Equivalents

The Town'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.

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(continued)**

1-E-3. *Receivables and Payables*

Accounts receivable other than property taxes and intergovernmental receivables are from customers primarily for utility services. Property tax and intergovernmental receivables are considered collectible. Customer accounts are reported net of an allowance for uncollectible accounts, which is based on balances that are over 90 days past due.

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

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

1-E-4. *Restricted Assets*

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

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

1-E-5. *Inventories and Prepaid items*

Inventories in governmental funds are not reported. These consist of immaterial amounts of expendable supplies for consumption. Such supplies are acquired as needed.

Inventories for business-type funds, consisting of materials used in the extension and repair of the transmission, distribution, collection and treatment systems, are valued at cost and account for on a first in, first-out basis. Inventories have not been included in the financial statements and are not considered material. Market is considered as replacement costs.

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.

1-E-6. *Capital Assets*

Capital assets includes property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure is depreciated.

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (continued)

1-E-6. Capital Assets (continued)

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend the assets' life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives.

Property, plant, and equipment of the primary government, as well as the component units if any, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	7-40
Machinery and equipment	3-5
Vehicles	5-7
Office furniture and equipment	3-7
Utility systems	40-50
Infrastructure	7-40

1-E-7. Long-term Obligations

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

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period.

1-E-8. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and comp time benefits. The liability for these compensated absences is recorded as long-term liabilities in the governmentwide statements. The current portion is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as incurred. Accumulated holiday and sick leave hours are not paid out upon termination and are not accrued in the financial statements.

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(continued)**

1-E-9. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows of resources relating to pensions as required by GASB 68.

In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Town has two types of items that qualify for reporting in this category. 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. The Town also reports deferred inflows related to pensions as required by GASB 68.

1-E-10. *Pensions*

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

1-E-11. *Net position flow assumption*

Sometimes the Town 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 Town's policy to consider restricted - net position to have been depleted before unrestricted – net position is applied.

1-E-12. *Fund balance flow assumptions*

Sometimes the Town 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 reports 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 Town's policy to consider restricted fund balance to have been depleted before using and 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.

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(continued)**

1-E-13. 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 Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by formal action of the Town's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the Town 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 Town for specific purposes but do not meet the criteria to be classified as committed. The council has authorized the Town Manager to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance is a residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund.

1-F. Estimates

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

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2-A. Budgetary data

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and Town Council on or before June 22 for the following fiscal year beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the Town Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the Town's budgetary control (the level at which the Town's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the Town from creating a deficit fund balance by making expenditures in excess of amounts budgeted. Any deficit so created must be made up in the following fiscal year. Deficits arising from emergencies, however, may be retired over five years. The maximum amount held in the general fund may not exceed 75% of the total actual revenue of the fund for the current year.

Once adopted, budget amendments which increase total expenditures must be approved by the Town Council following a public hearing. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

2-B. Deficit fund balance or net position

None of the Town's funds carries a deficit fund balance or net position.

NOTE 3 - DETAILED NOTES

3-A. Deposits and investments

Cash and investments as of June 30, 2019 consist of the following:

	Fair Value
Deposits:	
Cash on hand	\$ 199
Cash in bank	195,381
Investments:	
State Treasurer's Investment Pool	3,897,674
Wells Fargo Investment	2,649,268
Treasury Obligations	-
Total cash	\$ 6,742,522

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

Cash and cash equivalents (current)	\$ 6,197,430
Restricted cash and cash equivalents (non-current)	545,093
Total cash and cash equivalents	\$ 6,742,522

Cash equivalents and investments are carried at fair value in accordance with GASB Statement No. 72.

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

3-A. Deposits and investments (continued)

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

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

Fair value of investments

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows: Level 1--Quoted prices for identical investments in active markets; Level 2--Observable inputs other than quoted market prices; and, Level 3--Unobservable inputs. At June 30, 2019, the Town had \$3,897,674 invested in the PTIF and \$2,649,268 in Wells Fargo investments, which use a Level 2 fair value measurement.

Deposit and investment risk

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

Interest rate risk

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

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

3-A. Deposits and investments (continued)

Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. At June 30, 2019, none of the Town's demand deposits were exposed to risk because it was uninsured and uncollateralized.

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

Concentration of credit risk

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

3-B. Receivables

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

	General Fund	Water Fund	Sewer Fund	Irrigation Fund	Total
Due from other governments	\$ 731,522	-	-	-	731,522
Due from other funds	250,499	-	-	-	250,499
Property taxes	95,986	-	-	-	95,986
Grant receivable	-	-	-	-	-
SCIC receivable	-	-	-	(108)	(108)
Customers	9,749	101,235	34,422	1,185	146,592
Total receivables	1,087,756	101,235	34,422	1,077	1,224,491
Less allowance for uncollectibles	-	(27,208)	(5,682)	(98)	(32,988)
Net receivables	\$ 1,087,756	74,027	28,740	979	1,191,503

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

3-C. Capital assets

Capital asset activity for governmental activities was as follows:

Governmental activities	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land and rights	\$ 439,835	-	-	439,835
Construction in progress	2,502,331	719,739	-	3,222,070
Total capital assets, not being depreciated	2,942,166	719,739	-	3,661,906
Capital assets, being depreciated:				
Buildings	583,563	-	-	583,563
Improvements other than buildings	1,300,187	24,250	-	1,324,437
Office furniture and equipment	38,815	-	-	38,815
Computer equipment	8,000	-	-	8,000
Machinery and equipment	883,556	14,975	-	898,531
Vehicles	558,341	-	-	558,341
Infrastructure	925,178	-	-	925,178
Total capital assets, being depreciated	4,297,640	39,225	-	4,336,865
Less accumulated depreciation for:				
Buildings	281,333	14,589	-	295,922
Improvements other than buildings	438,179	56,383	-	494,562
Office furniture and equipment	24,458	3,082	-	27,540
Computer equipment	8,000	-	-	8,000
Machinery and equipment	323,533	49,521	-	373,054
Vehicles	313,867	37,094	-	350,961
Infrastructure	567,019	37,529	-	604,547
Total accumulated depreciation	1,956,389	198,198	-	2,154,587
Total capital assets being depreciated, net	2,341,251	(158,973)	-	2,182,278
Governmental activities capital assets, net	\$ 5,283,417	560,766	-	5,844,184

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

Governmental activities:	
General government	\$ 17,093
Public safety	35,059
Public works	77,897
Parks and recreation	32,473
Community development	1,358
Transportation	34,318
Total	\$ 198,198

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

3-C. Capital assets (continued)

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

Business-type activities	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land and rights	\$ 291,344	-	-	291,344
Construction in progress	5,080,120	1,867,726	-	6,947,846
Total capital assets, not being depreciated	5,371,465	1,867,726	-	7,239,191
Capital assets, being depreciated:				
Buildings	1,287,256	-	-	1,287,256
Improvements	60,842	-	-	60,842
Water distribution system	6,590,320	-	-	6,590,320
Sewer collection and treatment system	2,438,613	-	-	2,438,613
Irrigation system	818,238	-	-	818,238
Machinery and equipment	746,491	44,924	-	791,416
Vehicles	261,555	39,552	-	301,107
Total capital assets, being depreciated	12,203,315	84,476	-	12,287,792
Less accumulated depreciation for:				
Buildings	356,861	32,181	-	389,043
Improvements	42,816	4,056	-	46,872
Water distribution system	1,914,593	148,140	-	2,062,733
Sewer collection and treatment system	1,735,062	56,159	-	1,791,221
Irrigation system	391,927	15,821	-	407,747
Machinery and equipment	384,485	21,157	-	405,642
Vehicles	189,965	18,982	-	208,947
Total accumulated depreciation	5,015,708	296,496	-	5,312,205
Total capital assets being depreciated, net	7,187,607	(212,020)	-	6,975,587
Business-type activities capital assets, net	\$ 12,559,071	1,655,706	-	14,214,778

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

Business-type activities:	
Water	\$ 167,901
Sewer	74,121
Irrigation	18,237
Building Authority	36,238
Total	\$ 296,496

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

3-D. Long-term debt

Long-term debt activity for the business-type activities was as follows:

	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2006 MBA Lease Revenue							
Matures 3/1/2024	1,200,000	2.50	860,000	-	36,000	824,000	37,000
2012 Water Revenue							
Matures 3/1/2030	100,000	-	68,213	-	5,000	63,213	5,000
2009 Sales Tax Revenue							
Matures 5/1/2035	2,000,000	0.01	1,462,000	-	63,000	1,399,000	64,000
2017 Water Treatment Plant Bond							
Matures 10/1/2049	4,440,069	0.50	4,440,069	1,301,931	-	5,742,000	178,000
Total business-type activity long-term liabilities			\$ 6,830,282	1,301,931	104,000	8,028,213	284,000

Bond debt service requirements to maturity for business-type activities are as follows:

	Principal	Interest	Total
2020	\$ 284,000	63,300	347,300
2021	286,000	60,845	346,845
2022	289,000	58,360	347,360
2023	291,000	55,835	346,835
2024	293,000	53,280	346,280
2025 - 2029	1,506,000	226,810	1,732,810
2030 - 2034	1,563,213	157,385	1,720,598
2035 - 2039	1,506,000	84,290	1,590,290
2040 - 2044	992,000	40,375	1,032,375
2045 - 2049	1,018,000	15,320	1,033,320
Total	\$ 8,028,213	815,800	8,844,013

The Town has outstanding bonds and other direct borrowings related to business-type activities secured with their respective revenues and/or property and equipment as collateral.

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

3-D. Long-term debt (continued)

Other long-term liabilities:

	Beginning	Increase (Decrease)	Ending
Compensated absences:			
Governmental	\$ 27,930	-	27,930
Business-type	6,561	-	6,561
Total	\$ 34,491	-	34,491
Net pension liability:			
Governmental	\$ 526,438	526,940	1,053,378
Business-type	177,429	177,598	355,027
Total	\$ 703,867	704,538	1,408,405

3-E. Interfund transfers

The Town had the following interfund transfers for year ended June 30, 2019:

	Transfers In	Transfers Out
General fund	\$ 10,000	66,065
Streets capital projects fund	60,000	-
Transportation fund	-	60,000
Water fund	64,678	-
Sewer fund	1,387	-
Building Authority	-	10,000
Total	\$ 136,065	136,065

The Town generally makes interfund transfers so cash can be accumulated for large capital projects and loan payments in applicable funds.

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 4 - OTHER INFORMATION

4-A. Risk management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Town participates in the Utah Local Government Trust, a public agency insurance mutual, which provides coverage for property damage and general liability. The Town is subject to a minimal deductible for claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Amounts of settlements have not exceeded insurance coverage in any of the past three fiscal years.

4-B. Rounding convention

A rounding convention to the nearest whole dollar has been applied throughout this report, therefore the precision displayed in any monetary amount is plus or minus \$1. These financial statements are computer generated and the rounding convention is applied to each amount displayed in a column, whether detail item or total. As a result, without the overhead cost of manually balancing each column, the sum of displayed amounts in a column may not equal the total displayed. The maximum difference between any displayed number or total and its actual value will not be more than \$1.

4-C. Garbage Contract

Garbage disposal services are provided to the residents of the Town by the Washington County Solid Waste Special Service District. The Town bills for these services as part of its water billings and the revenues and corresponding expenditures related to such services are included in the Water Fund. Amounts due to these entities, if any, are included with the accounts payable in the Water Fund Statement of Net Position.

4-D. Contingencies and Commitments

The Town was involved in a project to develop a municipal golf course. In connection with that project, the Town has become involved in the following:

On January 7, 1993, the Town signed a Mutual Release and Settlement Agreement which provides, among other things, for the payment of \$72,500 to Zion Park Resort Limited Partnership. The agreement was a result of efforts to settle a long-standing dispute between the Town and Zion Park Resort over payments made by Zion Park Resort for the development of water and a municipal golf course. The settlement agreement called for payment of \$45,000 in legal fees and \$27,500 for repurchase of water hookups. The \$45,000 payment for legal fees was included with legal fee expenditures during the year ended June 30, 1993, and the \$27,500 of water hookups was used to reduce the unearned revenue collected from Zion Park Resort. Zion Park Resort had advanced the Town \$210,000 in connection with the aforementioned development. \$70,097 of the unearned revenue from Zion Park Resort represents prepayment for water connections.

The Town has the right to repurchase any of the unused connections at the rate of 15% of any of the unused connections per year at \$1,000 each, plus interest, commencing five years after the last permit was issued. As of June 30, 2019, there is a balance of \$55,340 in unearned revenue, all of which was advanced by Zion Park Resort.

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

4-E. Pension Plans

General Information about the Pension Plan:

Plan description:

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following Pension Trust Funds:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, retirement system;
- Public Safety Retirement System (Public Safety System) is a mixed agent and cost sharing, multiple employer public employee retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public employee retirement system;

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake Town, Utah 84102 or visiting the website: www.urs.org.

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

4-E. Pension Plans (continued)

Benefits provided:

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percentage per year of service	Cola **
Noncontributory System	Highest 3 Years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 Years	20 years an age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5 % to 4% depending on employer
Tier 2 Public Employees System	Highest 5 Years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* with actuarial reductions

** All past-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contributions:

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2019 are as follows:

<u>Utah Retirement Systems</u>	Employee	Employer	Employer 401(k) Plan
Contributory System			
111 - Local Government Div - Tier 2	N/A	15.54	1.15
Noncontributory System			
15 - Local Government Div - Tier 1	N/A	18.47	N/A
Public Safety System			
Contributory			
122 - Tier 2 DB Hybrid Public Safety	N/A	23.09	0.74
Noncontributory			
43 - Other Div A with 2.5% COLA	N/A	34.04	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.69	10.00
222 - Public Safety	N/A	11.83	12.00

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

4-E. Pension Plans (continued)

For the fiscal year ended June 30, 2019, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 108,495	N/A
Public Safety System	186,092	-
Tier 2 Public Employees System	61,736	-
Tier 2 DC Only System	5,986	N/A
Total Contributions	\$ 362,309	-

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, we reported a net pension asset of \$0 and a net pension liability of \$1,408,405.

	<u>(Measurement Date): December 31, 2018</u>			Proportionate Share 12/31/2017	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share		
Noncontributory System	\$ -	\$ 532,614	0.0723295%	0.0667606%	0.0055689%
Public Safety System	-	863,290	0.3355729%	0.2610742%	0.0744987%
Tier 2 Public Employees System	-	12,501	0.0291885%	0.0207849%	0.0084036%
Total	\$ -	\$ 1,408,405			

The net pension asset and liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2018 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2019, we recognize pension expense of \$582,220.

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

4-E. Pension Plans (continued)

At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,938	\$ 53,602
Changes in assumptions	173,715	225
Net difference between projected and actual earnings on pension plan investments	263,876	-
Changes in proportion and differences between contributions and proportionate share of contributions	191,523	1,778
Contributions subsequent to the measurement date	183,135	-
Total	\$ 819,187	\$ 55,605

\$183,135 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2019	\$ 297,627
2020	112,919
2021	40,652
2022	125,266
2023	421
Thereafter	2,917

Actuarial assumptions:

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.25 - 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2018, valuations were based on the results of an actuarial experience study for the five-year period ending December 31, 2016.

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

4-E. Pension Plans (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best- estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Assets class</u>	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long Term expected portfolio real rate of return
Equity securities	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100.00%		4.75%
	<u>Inflation</u>		<u>2.50%</u>
			<u>Expected arithmetic nominal return</u> 7.25%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% that is net of investment expense.

Discount rate:

The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active, and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments, to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95 percent.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate:

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

<u>System</u>	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 1,091,572	\$ 532,614	\$ 67,150
Public Safety System	1,692,200	863,290	190,397
Tier 2 Public Employees System	50,081	12,501	(16,501)
Total	\$ 2,833,853	\$ 1,408,405	\$ 241,046

Town of Springdale
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

4-E. Pension Plans (continued)

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plan:

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report. The Town participates in the following Defined Contribution Savings Plans with the Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan

Employee and employer contributions to the Utah Retirement Contribution Savings Plans for fiscal year ended June 30, were as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
401(k) Plan				
Employer Contributions	\$ 25,206	\$ 20,653	\$ 18,292	\$ 18,792
Employee Contributions	10,591	4,355	3,485	3,794
457(b) Plan				
Employer Contributions	-	-	-	-
Employee Contributions	3,625	4,790	5,426	5,850
Roth IRA Plan				
Employer Contributions	N/A	N/A	N/A	N/A
Employee Contributions	11,378	10,183	6,575	6,500

4-F. Subsequent Events

In preparing these financial statements, the Town has evaluated subsequent events and transactions for potential recognition or disclosure through the date of the audit report, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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Town of Springdale
Notes to Required Supplementary Information
June 30, 2019

Budgetary Comparison Schedules

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

Budgeting and Budgetary Control

The budget for the General Fund is legally required and is prepared and adopted on the modified accrual basis of accounting.

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

Current Year Excess of Expenditures over Appropriations

For the year ended June 30, 2019, expenditures were under budgeted amounts.

Changes in Assumptions Related to Pensions

The assumptions and methods used to calculate the total pension liability remain unchanged from the prior year.

Town of Springdale
**SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**
 For the Year Ended June 30, 2019

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 3,115,883	\$ 3,117,835	\$ 3,260,832	142,997
Licenses and permits	57,550	79,468	85,604	6,136
Intergovernmental revenues	50,000	56,026	56,026	(0)
Charges for services	30,000	57,034	57,034	(0)
Fines and forfeitures	53,000	21,209	29,764	8,555
Interest	72,250	131,401	142,870	11,469
Miscellaneous revenue	30,350	34,521	34,687	166
Total revenues	3,409,033	3,497,494	3,666,816	169,322
Expenditures				
General government	765,428	834,211	728,638	105,573
Public safety	1,244,169	1,311,523	1,232,966	78,557
Highways and public improvements	830,708	895,211	578,754	316,457
Parks and recreation	1,155,897	1,022,788	878,122	144,666
Total expenditures	3,996,202	4,063,733	3,418,480	645,253
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	(587,169)	(566,239)	248,335	(475,931)
Other financing sources and (uses)				
Appropriated fund balance	765,112	744,182	-	(744,182)
Transfers in	10,000	10,000	10,000	-
Transfers (out)	(187,943)	(187,943)	(187,943)	-
Total other financing sources and (uses)	587,169	566,239	(177,943)	744,182
Net change in fund balances	-	-	70,392	70,392
Fund balances - beginning of year	2,204,150	2,204,150	2,204,150	-
Fund balances - end of year	\$ 2,204,150	2,204,150	2,274,542	70,392

Town of Springdale
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

June 30, 2019
 Last 10 Fiscal Years*

	As of December 31,				
	2018	2017	2016	2015	2014
Noncontributory Retirement System					
Proportion of the net pension liability (asset)	0.0723295%	0.0667606%	0.0652471%	0.0663921%	0.0632619%
Proportionate share of the net pension liability (asset)	\$ 532,614	\$ 292,498	\$ 418,966	\$ 375,679	\$ 274,698
Covered employee payroll	\$ 537,794	\$ 528,862	\$ 551,991	\$ 587,583	\$ 586,293
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	99.04%	55.31%	75.90%	63.94%	46.90%
Plan fiduciary net position as a percentage of the total pension liability	87.00%	91.90%	87.30%	87.80%	90.20%
Public Safety System					
Proportion of the net pension liability (asset)	0.3355729%	0.2610742%	0.1697345%	0.1061094%	0.0710373%
Proportionate share of the net pension liability (asset)	\$ 863,290	\$ 409,536	\$ 344,438	\$ 190,069	\$ 89,335
Covered employee payroll	\$ 526,531	\$ 407,747	\$ 252,109	\$ 201,735	\$ 187,050
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	163.96%	100.44%	136.62%	94.22%	47.80%
Plan fiduciary net position as a percentage of the total pension liability	84.70%	90.20%	86.50%	87.10%	90.50%
Tier 2 Public Employees Retirement System					
Proportion of the net pension liability (asset)	0.0291885%	0.0207849%	0.0115683%	0.0092723%	0.0006816%
Proportionate share of the net pension liability (asset)	\$ 12,501	\$ 1,833	\$ 1,290	\$ (20)	\$ (21)
Covered employee payroll	\$ 340,039	\$ 203,018	\$ 94,870	\$ 59,878	\$ 3,376
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	3.68%	0.90%	1.36%	-0.03%	-0.60%
Plan fiduciary net position as a percentage of the total pension liability	90.80%	97.40%	95.10%	100.20%	103.50%
Tier 2 Public Safety and Firefighters Retirement					
Proportion of the net pension liability (asset)	0.0000000%	0.0000000%	0.0000000%	0.0310035%	0.0337162%
Proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ (453)	\$ (499)
Covered employee payroll	\$ -	\$ -	\$ -	\$ 18,409	\$ 14,067
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	-2.46%	-3.50%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%	0.00%	110.70%	120.50%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively. The schedule above is only for the the last five years.

Town of Springdale
SCHEDULE OF CONTRIBUTIONS

June 30, 2019
Last 10 Fiscal Years*

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2014	\$ 92,948	\$ 92,948	\$ -	\$ 570,355	16.30%
	2015	106,882	106,882	-	613,380	17.43%
	2016	105,544	105,544	-	576,998	18.29%
	2017	97,812	97,812	-	529,574	18.47%
	2018	96,082	96,082	-	520,204	18.47%
	2019	108,495	108,495	-	587,410	18.47%
Public Safety System	2014	31,230	31,230	-	182,413	17.12%
	2015	41,395	41,395	-	212,778	19.45%
	2016	68,894	68,894	-	212,217	32.46%
	2017	104,419	104,419	-	306,754	34.04%
	2018	168,861	168,861	-	496,066	34.04%
	2019	186,092	186,092	-	546,686	34.04%
Tier 2 Public Employees Retirement System**	2014	-	-	-	-	0.00%
	2015	5,325	5,325	-	35,645	14.94%
	2016	10,777	10,777	-	72,278	14.91%
	2017	19,392	19,392	-	130,057	14.91%
	2018	41,137	41,137	-	272,254	15.11%
	2019	61,736	61,736	-	397,275	15.54%
Tier 2 Public Safety and Firefighter System **	2014	-	-	-	-	0.00%
	2015	5,227	5,227	-	23,179	22.55%
	2016	3,629	3,629	-	16,098	22.55%
	2017	-	-	-	-	0.00%
	2018	-	-	-	-	0.00%
	2019	-	-	-	-	0.00%
Tier 2 Public Employees DC System**	2014	-	-	-	-	0.00%
	2015	-	-	-	-	0.00%
	2016	2,033	2,033	-	30,388	6.69%
	2017	3,305	3,305	-	49,403	6.69%
	2018	4,014	4,014	-	59,996	6.69%
	2019	5,986	5,986	-	89,473	6.69%
Tier 2 Public Safety and Firefighter DC Only System*	2014	-	-	-	-	0.00%
	2015	-	-	-	-	0.00%
	2016	2,674	2,674	-	22,603	11.83%
	2017	529	529	-	4,469	11.83%
	2018	-	-	-	-	0.00%
	2019	-	-	-	-	0.00%

* Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. The 10-year schedule will need to be built prospectively. The schedule above is only for the past 6 years.

** Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

Town of Springdale
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	Affordable Housing Fund	Parks Capital Projects	Transportation Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,584	864,442	148,594	1,014,619
Restricted cash and cash equivalents	-	91,354	-	91,354
TOTAL ASSETS	\$ 1,584	955,796	148,594	1,105,973
LIABILITIES				
Accounts payable	\$ -	-	11,840	11,840
Due to other funds	-	-	250,499	250,499
TOTAL LIABILITIES	-	-	262,339	262,339
FUND BALANCES:				
Restricted for:				
Impact fees	-	635,500	-	635,500
Affordable housing	1,584	-	-	1,584
Assigned for:				
Capital projects	-	320,296	-	320,296
Unassigned	-	-	(113,745)	(113,745)
TOTAL FUND BALANCES	1,584	955,796	(113,745)	843,634
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,584	955,796	148,594	1,105,973

Town of Springdale
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**
 For the Year Ended June 30, 2019

	Affordable Housing Fund	Parks Capital Projects	Transportation Fund	Total Nonmajor Governmental Funds
REVENUES:				
Charges for services	\$ -	-	532,997	532,997
Impact fees	-	105,734	-	105,734
Total revenues	-	105,734	532,997	638,731
EXPENDITURES:				
Transportation	-	-	326,121	326,121
Community development	-	5,265	-	5,265
Total expenditures	-	5,265	326,121	331,386
Excess (Deficiency) of Revenues over (Under) Expenditures	-	100,469	206,876	307,345
Other Financing Sources and (Uses):				
Transfers in	-	-	-	-
Transfers (out)	-	-	(60,000)	(60,000)
Total other financing sources and (uses)	-	-	(60,000)	(60,000)
Net Change in Fund Balances	-	100,469	146,876	247,345
Fund balances - beginning of year	1,584	855,327	(260,621)	596,290
Fund balance - end of year	\$ 1,584	955,796	(113,745)	843,634



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*

To the Town Council and Mayor
Springdale Town, 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 Springdale Town, Utah as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Springdale Town's basic financial statements and have issued our report thereon dated November 1, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Springdale Town'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 Springdale Town's internal control. Accordingly, we do not express an opinion on the effectiveness of Springdale Town'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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Springdale Town'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.

Rees CPA

Rees CPA
Springdale, Utah
November 1, 2019



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

To the Town Council
Springdale, Utah

Report on Compliance for Each Major Federal Program

We have audited the Town of Springdale, Utah's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Springdale major federal programs for the year ended June 30, 2019. The Town of Springdale's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Springdale's major federal programs based on our audit of the types of 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Springdale'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 for each major federal program. However, our audit does not provide a legal determination of the Town of Springdale's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Springdale, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

Management of the Town of Springdale, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Springdale's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Town of Springdale'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 type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 type of compliance requirement of a federal program 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 over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rees CPA

Rees CPA
Cedar City, Utah
November 1, 2019

**Town of Springdale
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	_____ X No	
Reportable condition(s) identified that are not considered to be material weaknesses?	_____ Yes	_____ X	None reported
Noncompliance material to financial statements noted?	_____ Yes	_____ X	No

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	_____ Yes	_____ X No	
Reportable condition(s) identified that are not considered to be material weaknesses?	_____ Yes	_____ X	No

Type of auditor's report issued on compliance for major programs	Unmodified
--	------------

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____ Yes	_____ X No
--	-----------	------------

Identification of major programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.468	Capitalization Grants for Drinking Water

Dollar threshold used to distinguish between type A and Typ B programs:	\$750,000
---	-----------

Auditee qualified as low-risk auditee?	_____ Yes	_____ X No
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Section II - Financial Statement Findings

No significant matters were noted

Section III - Federal Award Findings and Questioned Costs

No significant matters were noted

Springdale Town
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended June 30, 2019

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
<i>Drinking Water State Revolving Fund Cluster-Cluster</i>			
United States Environmental Protection Agency			
Capitalization Grants for Drinking Water State Revolving Funds			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	Utah Division of Drinking Water	1,710,958
Total Capitalization Grants for Drinking Water State Revolving Funds			1,710,958
<i>Total United States Environmental Protection Agency</i>			<i>1,710,958</i>
<i>Total Drinking Water State Revolving Fund Cluster-Cluster</i>			<i>1,710,958</i>
<i>Total Expenditures of Federal Awards</i>			<i>\$ 1,710,958</i>

The accompanying notes are an integral part of this schedule

Town of Springdale
Notes to Schedule of Expenditures of Federal Awards
June 30, 2019

General

The schedule of expenditures of federal awards presents the activity of all federal award programs of Springdale Town, Utah (Town). The Town reporting entity is defined in Note 1 to the Town's financial statements. All federal awards received directly from federal agencies as well as federal awards passed through from other government agencies are included on the schedule. Of the federal expenditures presented in the schedule, the Town provided \$0 of federal awards to sub recipients.

Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting for assistance received by proprietary fund types, which is described in Note 1 to the Town's financial statements. Entitlements and shared revenues are recorded at the time they are earned. Expenditure-driven grants are recognized as revenue when qualifying expenditures have been incurred and all grant requirements have been met.

Indirect Cost Rate

The Town did not elect to use the 10% de minimus indirect cost rate for fiscal year 2019.

Federal Loans

The Town did not have any federal loans for fiscal year 2019. However, subsequent to the close of the fiscal year and before the financial statements were issued, the Town did have federal loans.



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE***

To the Town Council and Mayor
Springdale, Utah

Report On Compliance

We have audited Springdale Town's compliance with the following applicable state requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended June 30, 2019.

- Budgetary Compliance
- Fund Balance
- Utah Retirement Systems
- Restricted Taxes and Related Restricted Revenues
- Open and Public Meetings Act
- Public Treasurer's Bond
- Tax Levy Revenue Recognition

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 Springdale Town's compliance based on our audit of the state 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 state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about Springdale Town'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 for each state compliance requirement reported above. However, our audit does not provide a legal determination of Springdale Town's compliance with those requirements.

Opinion on Compliance

In our opinion, Springdale Town complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide*.

Report On Internal Control Over Compliance

Management of Springdale Town is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered Springdale Town's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those 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 Springdale Town'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 to detect and correct noncompliance with a 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 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 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.

Rees CPA

Rees CPA
Cedar City, Utah
November 1, 2019



December 27, 2019
Honorable Town Council and Mayor
Springdale Town

We are pleased to confirm our understanding of the services we are to provide Springdale Town for the year ended June 30, 2020. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Springdale Town as of and for the year ended June 30, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Springdale Town's 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. As part of our engagement, we will apply certain limited procedures to Springdale Town's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist 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 will 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. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
- 3) Schedule of the Proportionate Share of the Net Pension Liability
- 4) Schedule of Contributions
- 5) Notes to Required Supplementary Information

We have also been engaged to report on supplementary information other than RSI that accompanies Springdale Town's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Combining Balance Sheet – Governmental Funds
- 2) Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Springdale Town and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Springdale Town's financial statements. Our report will be addressed to the Town Council of Springdale Town. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of 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 on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Springdale Town is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain

other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Springdale Town's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Management Responsibilities

Management is responsible for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to Springdale Town; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Rees CPA and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to requesting federal agencies or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Rees CPA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately September 1, 2020 and to issue our reports no later than December 31, 2020. Caleb J. Rees, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$10,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to Springdale Town and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Rees CPA

Rees CPA

RESPONSE:

This letter correctly sets forth the understanding of Springdale Town.

Management signature: _____

Title: _____

FULL-SERVICE RESTAURANT LIQUOR LICENSE



Local Consent

PURPOSE: Local business licensing authority provides written consent to the Alcoholic Beverage Control Commission (1) to issue an on-premise alcohol license for a person to store, sell, offer for sale, furnish, or allow the consumption of an alcoholic product on the premises of the applicant.

AUTHORITY: Utah Code 32B-1-202; 32B-5-201 through 203; 32B-5-205 and -206

Springdale

Local business license authority

, City Town County

hereby grants its consent to the issuance of a full-service restaurant liquor license to:

Business Name (DBA): Stage Coach Grille

Entity Name (or owner's name if sole proprietor): Stage Coach Grille LLC

Location Address: 2400 Zion Park Boulevard, Springdale, UT 84767

Authorized Signature

Stanley J. Smith, Mayor

Name/Title

January 8, 2020

Date

This is a suggested format. A locally produced city, town, or county form is also acceptable. The local consent must be submitted to the DABC by the applicant as part of a complete application.

Memorandum

To: Mayor, Town Council
From: Garen Brecke
Date: January 3, 2020
Re: January 8, 2020 Town Council Meeting
Amendment of Prosecution Services Agreement

Mayor and Council,

The Town entered into a Prosecution Service Agreement with Zachary Weiland in July 2016, and he is currently prosecuting our criminal/traffic cases. During some recent research, I learned that many small police agencies have adjusted their prosecution service rates to better compare with the market. Since 2016, we have been paying Zac \$800.00 per month for prosecution services. With the volume of criminal cases and traffic citations that we consistently file in the Justice Court, adjusting the monthly payment to \$1200.00 would adequately compensate Zac for his services. Additionally, the compensation is comparable with the market in Washington County. The adjusted amount has been budgeted for this fiscal year, so there will be no need to amend the budget.

The prosecution amendment also removes the Town of Virgin from the prosecution agreement. As you recall, we did not renew the police service agreement with the Town of Virgin a couple of years ago, and we are no longer responsible for their criminal prosecutions.

The Town's legal council drafted and approved this amendment.

Thank you,

Chief Garen Brecke

FIRST AMENDMENT TO PROSECUTION SERVICES AGREEMENT

This First Amendment to Prosecution Services Agreement (the “Amendment”) is entered into as of the ____ day of January 2020 (the “*Effective Date*”) by and between the **TOWN OF SPRINGDALE**, a Utah municipal corporation (the “Town”), and **ZACHARY WEILAND** (the “Contractor”).

Recitals

A. The Town and the Contractor are parties to that certain Prosecution Services Agreement, dated July 1, 2016 (the “Prosecution Services Agreement”) pursuant to which the Contractor serves as the Town’s contracted prosecutor and provides criminal law enforcement and prosecutions and duties for the municipalities covered by the Zion Canyon Police Department, including Springdale, Rockville and Virgin.

B. The Town and the Contractor would like to amend the Prosecution Services Agreement at Section 2: Duties and Authority to remove the Town of Virgin as a covered municipality and Section 9: Contractor’s Compensation to provide for an increase in the amount of the monthly Flat Fee to be paid by the Town to the Contractor.

Terms

1. **Amendment Removing Town of Virgin.** Section 2.1.1 of the Prosecution Services Agreement is hereby amended to now reads as follows: “Under the general supervision of the Chief of Police of the Springdale Zion Canyon Police Department, Contractor shall perform the criminal law enforcement and prosecution functions and duties for the municipalities covered by the Springdale Zion Canyon Police Department, namely Springdale and Rockville.” The Town of Virgin is no longer a member municipality in the Zion Canyon Police Department.

2. **Amendment Increasing Contractor’s Monthly Compensation.** Section 9 of the Prosecution Agreement is hereby amended to provide for Contractor’s monthly Flat Fee amount to increase from Eight Hundred Dollars (\$800.00) to One Thousand Two Hundred Dollars (\$1,200.00), which increase shall take effect and be paid for the month of February 2020 and afterward.

3. **Effect of Amendments.** Other than as specifically provided in Paragraphs 1 and 2, all provisions of the Prosecution Services Agreement shall remain in full effect and are not modified by this Amendment.

THIS AMENDMENT shall be binding upon the parties hereto, their administrators, heirs, successors or assigns and can be changed only by written agreement signed by all parties.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Effective Date.

TOWN OF SPRINGDALE,
a Utah municipal corporation,

By: Stanley Smith
Its: Mayor

ATTEST:

Town Clerk

CONTRACTOR

Zachary Weiland



Memorandum

To: Mayor, Town Council
From: Rick Wixom
Date: January 3, 2020
Re: **January 8, 2020 Town Council Meeting**
R2020-01 – Fee Schedule Revision

The proposed fee schedule revision makes several changes, the largest of which is formatting and general clean up. Darci and Katy have formatted the fee schedule to be more useful with a table of contents and clickable links to navigate the document.

The Council asked that we address an issue related to un-metered fire service connections. We have seen the loss of tens to hundreds of thousands of gallons of water lost when a fire service connection has a significant break. Because these connections on private property are often un-metered, the lost water would not be accounted for. The Council asked that we propose a way to account and bill for water lost through a break on an un-metered fire line on private property. This amendment sets that billing amount at the Town Engineer's cost to produce water, currently at \$5.61/1000 gallons.

The other significant change in this amendment is a note that animal impound and boarding is under a contract with La Verkin City and the rates shown in the schedule are their rates currently in effect.



RESOLUTION NO. 2020-01

A RESOLUTION REVISING THE FEE SCHEDULE FOR TOWN OPERATIONS

WHEREAS, the Town of Springdale recognizes the need to change fees from time to time in order to cover rising expenses related to providing services; and

WHEREAS, the changes in the attached revised fee schedule include additions to the schedule to accommodate changes in animal control services, water loss from unmetered fire service connections, and formatting changes to improve the usefulness of the fee schedule; and

WHEREAS, this resolution shall replace any other previous fee schedule,

THEREFORE, BE IT HEREBY RESOLVED by the Town Council of the Town of Springdale that the attached fee schedule, dated January 8, 2020 be adopted as the official and current fee schedule for the Town of Springdale.

Passed and adopted this 8th day of January 2020.

Stanley J. Smith, Mayor

Attest:

Darci Carlson, Town Clerk



FEE SCHEDULE

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SECTION A: BUSINESS LICENSING

License Type	Fee
Base Commercial	\$100
Additional Use	\$20 each
Home Occupation	\$0
Non-Profit	\$0
Special Event	\$100
Business License Renewal Late Penalty	\$25

If a business wishes to sell alcohol, additional licensing fees apply as listed below. A Permit must also be obtained by the [Utah Department of Alcoholic Beverage Control](#) in order for the Springdale liquor license to be approved.

Alcohol Licenses in Conjunction with Utah DABC	Fee
Off Premise Beer Retailer	\$300
Restaurant – Beer Only	\$300
Restaurant – Limited Service	\$300
Restaurant – Full Service	\$300
Tavern	\$300
Banquet & Catering	\$300
Package Agency	\$300

SECTION B: JOLLEY-GIFFORD CEMETERY RATES:

RESIDENT – Defined as a person who has lived in Springdale for 12 consecutive months immediately prior to purchase. Residents must pay non-resident rate for lots purchased for non-residents.

PLOTS	\$350
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VAULT OPEN/CLOSE*	WEEKDAYS	SATURDAY
	\$200	\$300

CREMAINS OPEN/ CLOSE*	WEEKDAYS	SATURDAY
	\$100	\$200

EXUMATION	\$500
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* An additional fee of \$50 applies to services performed after 3:30 PM Monday – Saturday.

NON-RESIDENT

PLOTS	\$600
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VAULT OPEN/CLOSE*	WEEKDAYS	SATURDAY
	\$250	\$350

CREMAINS OPEN/ CLOSE*	WEEKDAYS	SATURDAY
	\$150	\$250

EXUMATION	\$500
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*An additional fee of \$50 applies to services performed after 3:30 PM Monday - Saturday

|

SECTION C: RECORDS REQUESTS (GRAMA)

Government Records Access Management Act (GRAMA) Request (**63G-2-204**):

- Requests must be submitted in writing, preferably on the appropriate request form. Unless an expedited response is requested and approved, the information will be released within 10 business days, unless there are extraordinary circumstances. **63G-2-204(5)**.
- Fees will be determined on an individual basis per UCA **63G-2-203**, based on the Town's standard administrative fees.
- If the request is substantial and time-consuming, the applicant may be required to prepay if fees are expected to exceed \$50. **63G-2-203(8)(a)(i)**
- If the requestor has fulfilled but unpaid GRAMA requests outstanding, the custodian of the records may require payment of those fees before processing a new request. **63G-2-203(8)(a)(ii)**
- The town is not required to fulfill a person's records request if the request unreasonably duplicates prior records requests from that person. **63G-2-201(8)(a)(iv)**
- In certain circumstances, particularly if releasing the record primarily benefits the public rather than a person, the custodian of the records may waive fees, upon request. **63G-2-203(4)(a)**
- Processes exist for appealing denial of waivers, denial of access to records, and protesting fees. **63G-2-205, 63G-2-401**

STANDARD ADMINISTRATIVE FEES

Certified Mail delivery of letters regarding a delinquent account: \$10.00

Staff time: The weighted hourly rate for the lowest paid employee with the necessary skill and training required for searching, retrieving, compiling, formatting, packaging, summarizing, organizing and other direct administrative activities needed to fulfill the request: \$24.27/hour. The first ¼ hour is free.

Electronic services fee: When asked to compile a record in a form other than that normally maintained, the Records Officer must first determine it is able to do so without reasonably interfering with the governmental entity's duties and responsibilities, and, the requester agrees to pay the fee, assessed at \$24.27/hour, for providing the record in the requested form. **63G-2-203**

If printing is required, the Town's standard per-page photocopy fees will also apply.

Photocopies: \$0.25 for 8 1/2 x 11 single or double sided on town paper
\$0.35 for 8 1/2 x 14 single or double sided on town paper
\$0.60 for 11 x 17 single or double sided on town paper
\$0.05 for any size single or double sided on your own paper

CDs used to supply digital copies of data or meeting recordings: \$3.00 ea.

SECTION C: RECORDS REQUESTS (GRAMA), CONT.

Standard police reports in paper form: \$5.00 (Staff time may also apply if multiple reports are requested at the same time and if they require redaction.)

Police reports requested to be supplied in digital form are subject to electronic services fees in addition to \$5.00 base fee and redaction fees.

Returned check fee: \$25.00

SECTION A: ~~IMPACT FEES~~ BUILDING PERMITS

~~Impact fees are one-time fees charged to help pay for the cost of the infrastructure that serves the residents of Springdale.~~

Building Permit Deposit: For all multi-family residential projects and commercial projects with a valuation of more than \$250,000, a \$5,000 deposit is required at the time of building permit application. The deposit will be credited toward the total building permit cost (all permit and review fees required at the time a building permit is issued, based on the fees listed below). Any amount of the deposit in excess of the total building permit cost will be credited back to the applicant. If the applicant elects to abandon the project without obtaining a building permit, the deposit will be used to cover the town’s actual costs in reviewing the permit application up to the point the applicant informs the town of the intent to abandon the project. Any amount of the deposit in excess of the town’s actual costs will be credited back to the applicant.

Building Permit Application: \$125.00

Building Permit: Based on valuation of construction. *See Table 1-A*

Plan Review Fee: 65% of the Building Permit fee from Table 1-A.

Table 1-A – Building Permit Fees

UBC 1997

<u>Total Valuation</u>	<u>Fee</u>
\$1.00 to \$500.00	\$23.50
\$501.00 to \$2,000.00	\$23.50 for the first \$500.00 plus \$3.05 for each additional \$100.00 or fraction thereof to and including \$2,000.00
\$2,001.00 to \$25,000.00	\$69.25 for the first \$2,000.00 plus \$14.00 for each additional \$1,000.00 or fraction thereof to and including \$25,000.00
\$25,000.00 to \$50,000.00	\$391.75 for the first \$25,000.00 plus \$10.10 for each additional \$1,000.00 or fraction thereof to and including \$50,000.00
\$50,000.00 to \$100,000.00	\$643.75 for the first \$50,000.00 plus \$7.00 for each additional \$1,000.00 or fraction thereof to and including \$100,000.00
\$100,001.00 to \$500,000.00	\$993.75 for the first \$100,000.00 plus \$5.60 for each additional \$1,000.00 or fraction thereof to and including \$500,000.00
\$500,000.00 to \$1,000,000.00	\$3,233.75 for the first \$500,000.00 plus \$4.75 for each additional \$1,000.00 or fraction thereof to and including \$1,000,000.00
\$1,000,001 and up	\$5,608.75 for the first \$1,000,000.00 plus \$3.65 for each additional \$1,000.00 or fraction thereof

SECTION A: BUILDING PERMITS, CONT.

Fire District Review: Actual Cost as charged by the Fire District. For review, contact them directly at [Hurricane Valley Fire District](#)

Sewer Grinder Pump: \$4,599. Sewer grinder pumps shall only be provided for properties where the Town has a contractual obligation to provide them. Property owner or contractor shall install grinder pump in accordance with adopted Town standards and specifications.

Surcharge Tax: 1% of Building Permit Fee

Town Engineer Review: Actual Cost – an estimate of costs will be applied to the Building Permit

Solar and other alternative energy devices: Building permit fees shall include the actual costs of plan review and inspection, based on \$75 per hour. No other building permits fees apply. (Note: If the alternative energy device is part of a larger construction or building project, all standard fees will apply to the project, except that the value of the alternative energy device may be deducted from the total valuation of the project in determining the building permit and plan review fees.)

Fee In-Lieu of Water Dedication: \$950 per equivalent residential unit (ERU)

Water Meters:

<u>Meter Size</u>	<u>Meter Placement</u>
¾ Inch	\$208 <u>\$365</u>
1 Inch	\$303 <u>\$425</u>
1 ½ Inch	\$540 <u>\$800</u>
2 Inch	\$1443 <u>\$1025</u>
<u>3 Inch</u>	<u>\$2500</u>
<u>4 Inch</u>	<u>\$3010</u>

Town shall supply and install meter. Property owner or contractor shall install meter box and culinary water lines in accordance with adopted Town standards and specifications. Owner or contractor may arrange with Town to supply those parts at cost, if necessary. Town of Springdale Public Works personnel shall inspect installations before Town accepts meter box or line installation.

SECTION A: BUILDING PERMITS, CONT.

Other Inspections and Fees:

1. Inspections outside of normal business hours: \$75.00 per hour commercial & \$55.00 per hour residential (minimum charge 2 hours).
2. Re-inspection fees: \$75 per hour commercial & \$55 per hour residential. (Note: There is no charge for the first re-inspection. The re-inspection fees apply to the second and all subsequent re-inspections).
3. Additional plan review required by changes, additions or revisions to plans: \$75.00 per hour commercial & \$55.00 per hour residential. Minimum charge is ½ hour.
4. For use of outside consultants for plan checking and inspections, or both: Actual costs.

Items 1-3: Or the total hourly cost to the jurisdiction, whichever is the greatest. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of the employee involved.

Item 4: Actual costs include administrative and overhead costs.

SECTION B: ~~ZONING~~-IMPACT FEES

Impact fees are one-time fees charged to help pay for the cost of the infrastructure that serves the residents of Springdale.

Culinary Water Impact Fees:

Impact Fees

<u>Meter Size</u>	<u>Culinary Water</u>
¾ Inch	\$6,060
1 Inch	\$10,880
1 ½ Inch	\$23,377
2 Inch	\$43,244
3 Inch	\$97,369
4 Inch	\$173,115
6 Inch	\$389,338

If expansion, modification, or change in use of a building requires additional water flow, an upsized meter may be connected at the cost of installation plus the difference in price between the original meter and the required new meter.

Parks and Open Space Impact Fees:

Residence: \$3,883 per residential unit. (Unit is defined as one residential dwelling, one apartment, and one condominium.)

Transient Lodging Unit: \$3,285 Transient Lodging Unit is defined as: one individually rented unit in a hotel/motel, one individually rented room in a Bed and Breakfast, one vacation rental home if the entire home is rented as a single unit, one individually rented room in a vacation rental home if the rooms in the vacation rental are rented separately.

Habitat Impact Fees:

Residence: .002 of value of construction of home

Subdivision: \$250.00 per acre

Fee In-Lieu of Water Dedication: \$950 per equivalent residential unit (ERU)

SECTION ~~B: BUILDING PERMITS~~ C: ZONING FEES

Zoning Fees

Accessory Use determination: \$100.00

Amendment to Zoning Maps (zone change): \$1000.00

Amendment to the Zoning Ordinance: \$1000.00

Appeals: \$800.00

Conditional Use Permit: \$400.00

Design Development Review Fees:

DCD Review for minor projects as defined by section 10-15-7: \$125.00

Planning Commission Review: \$500.00

Revised Design Development Review: \$150.00

Design Development Review for Walls and Fences in Residential Zones: \$25.00

Design Development Review for solar and other alternative energy devices: No

charge. (Note: If the alternative energy device is part of a larger construction or building project, the applicable DDR fee above will apply.)

Fire District Review: Actual Costs

Home Occupation Permit: \$400.00 for public home occupation & \$75.00 for non-public home occupation

Ordinance Interpretation: \$100.00

Sign Permit: \$75.00

Special Meeting: \$100.00

Subdivisions:

Preliminary Plat: \$400.00 plus \$25.00 per lot plus Engineering and Fire

Marshal Costs

Final Plat: \$600.00 plus \$25.00 per lot plus Legal, Engineer, Fire District, and other review Fees

SECTION ~~B: BUILDING PERMITS~~ C: ZONING FEES, CONT.

Banner Permit: No Fee

Plat Amendments: \$400.00 plus \$25.00 per lot plus Engineer and other review fees

Town Attorney Review: Actual cost

Town Engineer Review: Actual cost

Variance: \$800.00

Wireless Communication Facility application: \$500.00

Zoning Ordinance: \$35.00

Zoning Map (color 11 x 17): \$7.00

COMMUNITY DEVELOPMENT

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SECTION D: GRADING & EXCAVATION FEES

~~Excavation~~ Grading Permit Application: \$75.00

~~Excavation~~ Grading Permit: Based on Volume of earth removed or relocated. See table A-33-A

~~Excavation~~ Grading Plan Review: See Table A-33-B

TABLE A-33-A – GRADING PLAN REVIEW FEES²

UBC - 1997

50 cubic yards (38.2 m ³) or less	No Fee
51 to 100 cubic yards (40 m ³ to 76.5 m ³)	\$23.50
101 to 1000 cubic yards (77.2 m ³ to 764.6 m ³)	\$37.00
1001 to 10,000 cubic yards (765.3 m ³ to 7,645.5 m ³)	\$49.25
10,001 to 100,000 cubic yards (7646.3 m ³ to 76,455 m ³)	\$49.25 for the first 10,000 cubic yards (7,645 m ³) plus \$13.25 for each additional 10,000 cubic yards (7,645.5 m ³) or fraction thereof.
100,001 to 200,000 cubic yards (76,456 m ³ to 152,911 m ³)	\$269.75 for the first 100,000 cubic yards (76,455 m ³) plus \$13.25 for each additional 10,000 cubic yards (7,645.5 m ³) or fraction thereof.

Other Fees:

Additional plan review required by changes, additions or revisions: \$50.00 per hour (minimum charge is ½ hour).

SECTION D: GRADING & EXCAVATION FEES, CONT.

TABLE A-33-B – GRADING PERMIT FEES¹

UBC – 1997

50 cubic yards (38.2 m ³) or less	\$23.50
51 to 100 cubic yards (40 m ³ to 76.5 m ³)	\$37.00
101 to 1000 cubic yards (77.2 m ³ to 764.6 m ³)	\$37.00 for the first 100 cubic yards (76.5 m ³) plus \$17.50 for each additional 100 cubic yards (76.5 m ³) or fraction thereof.
1001 to 10,000 cubic yards (765.3 m ³ to 7,645.5 m ³)	\$194.50 for the first 1,000 cubic yards (764.6 m ³) plus \$14.50 for each additional 1,000 cubic yards (764.5 m ³) or fraction thereof.
10,001 to 100,000 cubic yards (7646.3 m ³ to 76,455 m ³)	\$325.00 for the first 10,000 cubic yards (7,645.5 m ³) plus \$66.00 for each additional 10,000 cubic yards (7,645.5 m ³) or fraction thereof.
100,001 (76,456 m ³) or more	\$919.00 for the first 100,000 cubic yards (76,455 m ³) plus \$36.50 for each additional 10,000 cubic yards (7,645.5 m ³) or fraction thereof.

Other inspections and fees:

Inspections outside of normal business hours: \$50.50 per hour² Minimum charge is 2 hours

Re-inspection fees: \$75.00 per hour²

Footnotes:

¹The fee for a grading permit authorizing additional work to that under a valid permit shall be the difference between the fee paid for the original permit and the fee shown for the entire project.

²Or the total hourly cost to the jurisdiction, whichever is greatest. The cost shall include supervision, overhead, equipment, hourly wages, and fringe benefits of the employees involved.

SECTION E. ~~OTHER FEES~~ EVENT AND TEMPORARY USE PERMITS

Free Speech Event Permit: No fee

Fundraising Event Permit: No Fee

Large Outdoor Event Permit: \$250

Private Outdoor Event Permit: \$25

Special Event Permit: \$250

Temporary Structure Permit: \$50.00

**Private Events requiring additional security or police presence: \$35/hour/officer*

OTHER FEES:

Street Light Banner Permit Application: \$35

~~Application Fee: \$35~~

Street Light Banner Permit Fee: \$200, for up to 20 banners. Each additional banner requested in the same application, \$10 each banner.

PARKS AND RECREATION

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Standard Facilities Rental Fees

Springdale Park Facilities rental:

(Rentable facilities include Ballfield and gazebo. Please see Park Use and Event Policy)

Private, non-commercial events with fewer than 50 attendees: \$50 per facility rented.

Large events permitted as temporary uses, in addition to required Temporary Use Permit Fee:

1 to 50 attendees: \$50

51 to 100 attendees: \$85

More than 100 attendees: \$100 for the first 101 attendees plus \$10 for each additional 50 attendees

Damage Deposit:

\$100 for rentals of the Gazebo, Tennis Courts, Volleyball area and small private rentals at the Ballfield.

\$1000 for temporary use permit rentals of the Ballfield

SECTION A. PARKING FEES

Rate for parking in a paid parking zone:

Zone A: First 2 hours \$1/hour, then \$20 for all day parking

Zone B: First 2 hours \$1/hour, then \$15 for all day parking

Zone C: First 2 hours \$1/hour, then \$12 for all day parking

Oversized vehicle parking on Lion Boulevard: First 2 hours \$2/hour, then \$24 for all day parking

Off-season parking rates: 50% of rates shown above (in effect December 1 to March 1)

Parking citation fees:

Violation of section 6-2-3: \$125.00, Late penalty: \$30.00

Violation of section 6-2-4: \$125.00, Late penalty: \$30.00

Violation of section 6-2-5: \$125.00, Late penalty: \$30.00

Violation of section 6-2-6: \$60.00, Late penalty: \$15.00

Violation of section 6-2-9: \$25.00, Late penalty: \$5.00

All other parking violations: \$60.00, Late penalty: \$15.00

SECTION B. ANIMAL RELATED

Dog Tags

Spayed/Neutered: \$5.00

Unspayed/unneutered: \$40.00

Dog Kennel License

Non-Commercial: \$50.00

Impound and Boarding Fees

Springdale animal impound and boarding are provided under a contract with La Verkin City. The following rates are the La Verkin City rates in effect as of 12/11/19 and are subject to change.

Impound fee:

First offense: \$25.00

Second offense: \$50.00

Third offense: ~~\$100.00~~ \$75.00

Boarding fee: \$20 per day. Boarding fee shall be applied for each day an animal is impounded.

~~Dogs & Cats: \$10/day.~~

Other Animals: Boarding fee for other animals shall be determined by the animal control officer at the time the animal is impounded.

Emergency Medical Care: Owner of impounded animal will reimburse actual costs of emergency medical care of impounded animals before animal may be redeemed from the pound.

SECTION A. WATER & SEWER IRRIGATION USE RATES

Water Use Rates

Application fee: \$20.00

- 1. Inspection fee: \$20.00 for new installations
- 2. Connected Services: There shall be a monthly base charge of \$16.93, plus billing of the water usage according to schedule A below.

Schedule A

Usage (Gallons)	Cost (per 1000 gallons)
0 – 5,000	\$5.15
5,001 – 10,000	\$7.25
10,001 – 25,000	\$9.01
25,001 – 50,000	\$10.41
Over 50,000	\$11.47

- 3. Unconnected and reserve connections: There shall be a monthly base charge of \$16.93.
- 4. Construction water: Water usage during the construction of any building, excavation or grading shall be billed using a flat rate equal to the highest rate in Schedule A above in addition to a monthly base charge of \$16.93. Construction water is any water used prior to the issuance of a Certificate of Occupancy and Zoning Compliance. Construction water may be made available through a meter installed on the property, a hydrant meter rental from the Town, or a hydrant meter provided by the contractor or other outside source. In any case, a water account must be established with the Town before construction water will be delivered.
Hydrant meter rental: \$1,000 refundable deposit.
- 5. Rental Deposit: Applications for water accounts at rental properties must pay a rental deposit of \$125. Deposit shall be refunded after the account is settled and closed.
- 6. Residential Fire Sprinkler Connections: When the Fire Marshall requires a residential structure to be equipped with fire sprinklers, the fire sprinkler system must have a dedicated and metered connection to the town’s culinary water system. The fire sprinkler connection may not be used for any purpose other than fire suppression. Fees for the water meter and connection to the

SECTION A. WATER & SEWER IRRIGATION USE RATES, CONT.

Water Use Rates, continued

town's system are the responsibility of the property owner. Fire sprinkler connections will not be charged a culinary water impact fee. Fire sprinkler connections will not be charged a monthly base charge if there is no use on the connection. If there is use on the connection due to legitimate operation of the fire sprinkler system, the connection will not be charged a monthly base charge or any use charges. If there is use on the connection for any purpose other than legitimate operation of the fire sprinkler system, the connection will be charged a monthly base charge for each month in which the unauthorized use occurred. The connection will also be charged use charges according to the highest rate in Schedule A above for all unauthorized use.

Sewer Use Rates

1. Application fee: \$20.00
2. Inspection fee: \$20.00 for new installations
3. Connected Services: There shall be a monthly base rate charge of \$14.03, plus a volume charge of \$.00383 per gallon (\$3.83 per 1000 gallons) of water used, as measured through the water meter, after 7,000 gallons.
4. Unconnected and reserve connections: There shall be a monthly base rate charge of \$14.03
5. National Park Service will be assessed at a proportionate share of the O&M costs per agreement, as determined by proportionate flow, (currently measured at 45 %,) to be billed as a monthly fee.
6. Rockville Accounts:
 - A. Connected Residential: Monthly rate of \$21.56.
 - B. Unconnected Residential: Monthly rate of \$14.03.
 - C. Bed and Breakfast Home Occupations: Assessed at a rate of 2.5 average family residential units, or a monthly rate of \$53.91 (\$21.56 x 2.5).
 - D. Other Home Occupations: Assessed a rate to be determined based on the highest use on their water meter for the months of December, January or February of the preceding year, per the Rockville Water System billing clerk.
 - E. Rockville Community Center: Assessed at a rate of 2.5 average family residential units, or a monthly rate of \$53.91 (\$21.56 x 2.5).

Irrigation Use Rates

User fees shall apply only to town irrigation customers, not irrigation company shareholders. Application and inspection fee shall apply to all irrigation connections including irrigation company shareholders.

1. Application fee: \$20.00
2. Inspection fee: \$20.00 for new installations
3. User fee: User fees shall be assessed on a monthly basis by the Town of Springdale as set forth in Schedule B (below). Please note that all irrigation connections installed after 10/9/2019 are limited to a 1-inch connection (Ord. 2019-11)

PUBLIC WORKS

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SECTION A. WATER & SEWER IRRIGATION USE RATES, CONT.

Schedule B – Irrigation Use Rates

Valve Size	Annual Rate	Monthly Rate
1 Inch	\$254.00	\$21.17
1 ½ Inch	\$508.00	\$42.34
2 Inch	\$762.00	\$63.50
2 ½ Inch	1,016.00	\$84.67
3 Inch	\$1,270.00	\$105.83
3 ½ Inch	\$1,524.00	\$127.00
4 Inch	\$1,779.00	\$148.25

~~Public Works/Utility Superintendent shall determine appropriate valve size. Property owner or contractor shall install all valves and lines in accordance with the adopted Town standards and specifications. Town Public Works personnel shall inspect installations before Town accepts valve or line installation.~~

SECTION B. WATER & SEWER RATES ADJUSTMENTS

1. In order to obtain an adjustment to the water and sewer charges incurred in the event of an aboveground water leak on the property owner's side of the meter, the following conditions must be met:
 - a. The Utility Superintendent, Town Manager or their designee must review and inspect the leak before any repair is made, or sufficient evidence must be provided to the Utility Superintendent, Town Manager or their designee to document the cause and nature of the leak.
 - b. The Utility Superintendent, Town Manager or their designee must determine that the leak resulted from a major failure of the water system such as a broken pipe or valve as opposed to a condition or situation that the property owner was or should have been aware of such as a tap or hose left running, running toilet, leaking taps, leaking swamp cooler, known and unrepaired leaks, irrigation usage, etc.
 - c. The Utility Superintendent, Town Manager or their designee must see evidence of the repair of the leak.
 - d. The amount of water used on the utility bill (water used and water lost due to the leak) must be equal to or greater than twice the historical usage on the property for the same month in the previous year. If the property has had utility service for less than one year, the Town Manager and Town Treasurer shall estimate the usage based on the nearest month in the same season.
 - e. No adjustments shall be made for water used for irrigation purposes.

If the above conditions are met, the Utility Superintendent or Town Manager will instruct the Town Treasurer to make an adjustment to the utility account. The water and sewer rate will be adjusted according to paragraph 3 below. Rate adjustments will be applied only if the property owner is diligent in fixing the leak within three days of its detection. If diligence is not shown within three days, a Waste of Water penalty of \$50 per day will be assessed each following day until the Superintendent is satisfied the repair is completed, and additional penalties as outlined in Section 8.1.16.B may apply. Repair costs are the responsibility of the property owner.

2. In order to obtain an adjustment to the water and sewer charges incurred in the event of an underground water leak on the property owner's side of the meter, the following conditions must be met:
 - a. The Utility Superintendent, Town Manager or their designee must review and inspect the leak before any repair is made, or sufficient evidence must be provided

SECTION B. WATER & SEWER RATE ADJUSTMENTS

to the Utility Superintendent, Town Manager or their designee to document the cause and nature of the leak.

- b. The Utility Superintendent, Town Manager or their designee must determine that the leak resulted from a failure of the water system as opposed to a deliberate waste of water, a condition or situation that the property owner was or should have been aware of, or an aboveground leak as described in paragraph 1 above.
- c. The Utility Superintendent, Town Manager or their designee must see evidence of the repair of the leak.

If the above conditions are met, the Utility Superintendent or Town Manager will instruct the Town Treasurer to make an adjustment to the utility account. The water and sewer rate will be adjusted according to paragraph 3 below. Rate adjustments will be applied only if the property owner is diligent in fixing the leak within five days of its detection. If diligence is not shown within five days, a Waste of Water penalty of \$50 per day will be assessed each following day until the Utility Superintendent is satisfied the repair is completed, and additional penalties as outlined in Section 8.1.16.B may apply. Repair costs are the responsibility of the property owner.

3. Adjustments shall be based on the amount of the meter readings for the same month a year prior. The water user will pay the current rate for the amount of water and sewer as the prior year's reading plus ½ of the current lowest usage rate for all additional water resulting from the leak. If the property has had utility service for less than one year, the Town Manager and Town Treasurer shall estimate the usage based on the nearest month in the same season.
4. In order to obtain an adjustment to the sewer charges incurred on the filling of a swimming pool, 1) the owner must provide sufficient proof to the Utility Superintendent that the pool doesn't drain to the sewer, and 2) the owner must contact the Utility Superintendent before filling the pool and when the pool is full, so the water used to fill the pool can be metered. The Utility Superintendent will provide the meter readings to the Town Treasurer. Only the amount of water used for filling the pool will be adjusted from the sewer fees; there will be no adjustment to the water charges. If this procedure is not followed, or if the pool is found to drain into the sewer system, there will be no adjustment to the sewer charges.

SECTION C. WATER LOSS

Loss of Water – Private Unmetered Fire Service Connections

Fire service connections or fire sprinkler connections are generally private unmetered connections to the Town’s culinary water system that provide support during fire emergencies. Due to line size, breaks or other failure in these lines has the potential to result in the loss of hundreds of thousands of gallons of treated culinary water.

When a break in a private, unmetered fire service connection or line results in the loss of water, the property owner responsible for the private fire sprinkler connection/line will be billed for the value of the water lost due to the break based on the cost to produce water, currently \$5.61 per 1000 gallons according to the Town Engineer.

Water loss will be estimated by the Town Public Works Department based on documented tank levels before and after the break or leak is reported.

PUBLIC WORKS

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SECTION D. OTHER

Residential Garbage Collection

\$14.27 per month effective January 1, 2018 (Ord. 4-5-7 and 4-8-6)

Utility and Encroachment Permit Fees

Encroachment Permit Fee: \$250

Utility Permit Fee: \$150



Memorandum

To: Mayor Smith and Town Council members
From: Darci Carlson, Town Clerk
Date: January 3, 2020
Re: **Blanket local consent requests for 2020**

Overview

The blanket consent request provides a way for the Town Council to approve 12 single event permits per year for a local business. The blanket helps streamline the process for both staff and applicants and is compliant with the DABC and Town policy.

Once the blanket consent is in place, the local venue fills out a single event permit form and pays the fee. The Mayor or Clerk can sign the form so the applicant can submit it to the DABC along with their other required documents.

With the blanket in place, each individual event request does not need to return to the Council for approval. The Clerk's Office is responsible for tracking issuance of the single event requests to ensure they do not exceed the 12 approved.

Two local businesses have requested blanket consent. Historically, they both organize several public events each year that would require a permit.

- Bit & Spur
- Zion Brewery

Staff recommendation: Grant local consent for up to 12 single event permits in 2020 for the businesses listed above.



Memorandum

To: Town Council
From: Thomas Dansie, Director of Community Development
Date: January 3, 2020
Re: **January 8, 2020 Town Council Meeting**
Annual Review of Parking Program

The Council adopted a town-wide on-street parking management program which took effect in April 2018. The purpose of the plan is to reduce the negative impacts of on-street parking congestion. The Council implemented the plan by adopting a series of ordinance revisions and policy resolutions.

The parking management plan:

- Designates public streets as paid parking, resident permit parking, or no parking areas.
- Establishes the rate structure for on-street parking.
- Creates the administrative framework for revenue collection and parking enforcement.
- Includes provisions for residential parking permits, event parking regulations, and other special parking scenarios.

When the Council adopted the plan, the Council also requested an annual review of the parking program. This report summarizes the state of the parking program, with emphasis on the activities of the last year.

Parking Management

The Town's parking department reports a significant improvement in the orderliness of on-street parking, and a reduction in parking congestion as compared to 2017 (pre-parking management plan) and 2018 (first year of the parking management plan). Even during peak holiday weekends parking chaos is minimal, compared with 2017 and earlier years. On normal days on-street parking congestion and chaos is not an issue.

Park visitors who park in Springdale have become more accustomed to the parking program and policies, as demonstrated by a significant reduction in the number of parking citations from 2018 to 2019 (805 versus 545¹).

Parking Revenue

Revenue from the parking program covers parking department expenses. Surplus revenue accrues to fund transportation related improvements: sidewalks, transit, ped/bike improvements, trails, etc. Parking revenue has decreased slightly from 2018 (\$249,388 in 2018 compared to \$223,946 in 2019). There has been a similar reduction in the number of parking transactions at the parking pay kiosks.

This reduction in revenue and transactions could be due to more people looking for parking in Zion National Park or in paid off-street parking lots, more people leaving their vehicles in hotel parking areas when visiting the Park, and more people carpooling to access the Park. All of these are behaviors the

¹ Note that all figures in this report are based on the fiscal year to date, rather than calendar year. This is consistent with the rest of the Town's accounting.

Town anticipated when the plan was adopted. All of these behaviors reduce the amount of on-street parking congestion in the Town.

The Town adopted a new parking rate structure at the beginning of 2019. The Town switched from an hourly rate to a daily rate. The daily rate varies based on what part of Town the parking is located in. It is interesting to note that, even with a change in rate structure, the average revenue per transaction has remained consistent between 2018 and 2019 (\$13.51 per transaction in 2018 versus \$13.48 per transaction in 2019).

Staff feels the current parking rates are effective in accomplishing the Town's parking management goals, and are in line with the appropriate market price for parking. Staff does not recommend any changes to parking rates for 2020.

Parking Policies

The Town spent most of 2018 and the early part of 2019 refining parking policies. As the Town's experience with the parking program increased, so did understanding of needed parking policy revisions. These policy revisions have effectively resolved most of the problematic issues associated with the parking program.

Staff is in the process of crafting policy revisions associated with parcel delivery vehicle and service vehicle parking. Staff anticipates refining these policy changes in early 2020. Aside from these policy revisions, staff does not recommend any parking policy changes for 2020.

Wayfinding Program

The Town completed a signage and wayfinding study and plan in 2019. The purpose of the study and plan is to establish a consistent and easily understandable signage program to help visitors identify appropriate parking locations. Much of the planned signage has now been installed, with the remainder scheduled for installation prior to President's Day. Staff anticipates this wayfinding signage will further enhance the parking program's operational efficiency.

Maintenance and Administrative Logistics

The Town's parking staff has become more familiar with the hardware and software tools used in parking administration and parking enforcement. While there are still (and always will be) ongoing issues with these tools, parking staff is no longer constantly struggling to keep pay kiosks and other hardware in operational order. Hardware and software maintenance now consumes a minor portion of parking staff's time.

Summary and Recommendations

The parking management plan and program has been successful in accomplishing its primary goal: reducing the negative impacts of on-street parking congestion in Springdale. Because of the parking plan, the Town is now safer for pedestrians, bicycles, and motorists because there is no on-street parking congestion to contend with. The visual appearance of SR-9 is greatly enhanced, as haphazardly parked vehicles no longer dominate the view from the street. Revenue from on-street parking covers all costs associated with administering the program. Excess parking revenue accrues to fund transportation related projects such as sidewalks, trails and transit. Residents and visitors alike have become more familiar with the parking program. Anecdotal accounts of complaints and concerns over the parking program have decreased significantly over the past year. Actual parking citations issued are down dramatically from last year.

Staff feels the parking program is operating efficiently and is accomplishing its goals and objectives. With the exception of the parcel delivery vehicle and service vehicle policy currently underway, staff does not recommend any changes to the parking program for 2020.