

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
FINANCIAL REPORT  
DECEMBER 31, 2013

STANSBURY SERVICE AGENCY OF TOOELE COUNTY

FINANCIAL REPORT

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FINANCIAL REPORT

DECEMBER 31, 2013

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**Keddington & Christensen, LLC**  
Certified Public Accountants

Gary K. Keddington, CPA  
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## **INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Stansbury Service Agency of Tooele County

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

We have audited the accompanying financial statements of the governmental activities, each major fund of Stansbury Service Agency of Tooele County (the Agency) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Agency'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, each major fund of Stansbury Service Agency of Tooele County as of and for the year ended December 31, 2013, and the respective changes in financial position and the budgetary comparison for the General Fund 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 on pages 3–8 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 Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated May 30, 2014, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Agency's internal control over financial reporting and compliance.

*Keddington & Christensen*

May 30, 2014

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2013

This section of the Stansbury Service Agency of Tooele County's annual financial report presents our discussion and analysis of the Service Agency's financial performance during the fiscal year ended December 31, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the financial statements, which follow this section:

**FINANCIAL HIGHLIGHTS**

- The Stansbury Service Agency of Tooele County's *total combined net position* is \$22,322,120.
- During the year, the Service Agency program *expenses* were \$996,394.
- The changes in net position amounted to \$487,956.
- During the year, the Service Agency program *revenues* were \$485,244 and general revenues were \$999,106.
- During the year, the Service Agency collected \$990,532 in *property taxes*, a decrease of \$45,165 from 2012.
- The *general fund* balance is \$125,063, all of which is unassigned.
- The *capital projects fund balance* is \$1,800,588, of which \$412,164 is restricted and \$1,388,424 is assigned.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Stansbury Service Agency of Tooele County's basic financial statements. The Service Agency's basic financial statement comprises two components: 1) government wide financial statements and 2) fund financial statements.

The basic financial statements include two kinds of statements that present different views of the district:

- The Statement of Net Position provides government-wide long-term and short-term information about the Service Agency's overall financial status.
- The Governmental Funds Balance Sheet, and Reconciliation of Balance Sheet, provides government-wide long-term and short-term information about the Service Agency's restricted and unrestricted assets, liabilities, and fund balances.
- The Statement of Revenues, Expenses, & Changes in Fund Balances and its Reconciliation provide government-wide information about the Service Agency's revenues and expenses for the year.

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2013

**Government-wide statements:**

The government-wide statements report information about the Service Agency as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

**Fund Financial Statements:**

The fund financial statements provide more detailed information about the Service Agency's most significant funds – not the Service Agency as a whole. Funds are accounting devices that the Service Agency uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The Service Agency has two funds:

- General fund
  - This is the general operating fund of the Agency. The general fund is used for all financial resources except those accounted for in another fund.
  - The general fund decreased by \$506,527 from 2012 to 2013.
- Capital projects fund
  - This fund is used to account for financial resources used in major capital construction projects. Funds used for such projects are provided by impact fees, capital grants, and transfers from the general fund.
  - The capital projects fund increased by \$748,632 from 2012 to 2013.

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2013

**FINANCIAL ANALYSIS OF THE SERVICE AGENCY AS A WHOLE**

Net Position. The Service Agency's combined net position for 2013 were \$22,322,120. (See Table 1)

**Table 1**  
**Stansbury Service Agency of Tooele County Net Assets**

	Governmental Activities		Percentage Change
	2012	2013	
<b>ASSETS</b>			
Total Current Assets	\$ 1,794,465	2,210,539	23.19%
Non Current Assets:			
Property, plant and equipment (net of accumulated depreciation)	20,150,618	20,396,469	1.22%
<b>Total Assets</b>	<b>\$ 21,945,083</b>	<b>\$ 22,607,008</b>	<b>3.02%</b>
<b>LIABILITIES</b>			
Total Current Liabilities	\$ 110,919	284,888	156.84%
Non Current Liabilities:			
Long-term Debt	-	-	
<b>Total Liabilities</b>	<b>110,919</b>	<b>284,888</b>	<b>156.84%</b>
<b>NET POSITION</b>			
Investment in capital assets (net of related debt)	\$ 20,150,618	\$ 20,396,469	1.22%
Restricted For:			
Impact Fees	429,150	412,164	-3.96%
Unrestricted:	1,254,396	1,513,487	20.65%
<b>Total Net Position</b>	<b>21,834,164</b>	<b>22,322,120</b>	<b>2.23%</b>
<b>Total Net Position and Liabilities</b>	<b>\$ 21,945,083</b>	<b>\$ 22,607,008</b>	<b>3.02%</b>

A portion of the net position is either restricted as to the purposes they can be used for or they are invested in capital assets. Unrestricted net position may be used to fund Service Agency programs in the next fiscal year. However, this does not mean that the Service Agency has significant surplus resources available to pay its bills next year. Rather it is the result of having long-term commitments that are currently less than available resources. The balance has remained similar to the prior years.



STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2013

**Table 2**  
**Stansbury Service Agency of Tooele County Changes in Net Position**

	Governmental Activities		Percentage Change
	2012	2013	
<b>REVENUES</b>			
Program revenues			
Charges for services	\$ 106,447	\$ 192,094	80.46%
Capital grants and contributions	456,980	293,150	-35.85%
General revenues			
Property taxes – general	1,035,697	990,532	-4.36%
Interest allocated to impact fees	3,271	2,576	-21.25%
Interest	6,739	7,095	5.28%
Loss on disposal of equipment	-	(1,097)	
Total Revenues	<u>1,609,134</u>	<u>1,484,350</u>	-7.75%
Expenses			
General government	256,783	278,039	8.28%
Park	212,530	243,258	14.46%
Clubhouse	80,151	96,054	19.84%
Pool	104,374	127,346	22.01%
Golf course	67,503	54,760	-18.88%
Lake	45,723	55,754	21.94%
Cemetery	-	2,119	0.00%
Greenbelt	<u>130,309</u>	<u>139,064</u>	6.72%
Total Expenses	<u>897,373</u>	<u>996,394</u>	11.03%
Increase in net assets	711,761	487,956	-31.44%
Net position – beginning	<u>21,122,403</u>	<u>21,834,164</u>	3.37%
Net position – ending	<u>\$ 21,834,164</u>	<u>\$ 22,322,120</u>	2.23%

The total of all program revenues and general revenues was \$1,484,350 for the year. General property tax was \$990,532 for the year. The total of all program expenses was \$996,394 for the year.

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2013

**General Fund Budgetary Highlights**

- Over the course of the year the Service Agency did revise its budget.
- The general fund budgeted expenses were \$1,002,096 and actual expenses were \$852,538, which resulted in a positive budgetary variance of \$149,558.
- The capital projects fund budgeted expenses were \$695,000 and actual expenses on the budgetary basis were \$390,804, which resulted in a positive budgetary variance of \$304,196.
- The Service Agency had a liability to Tooele County of \$10,544 as of December 31, 2012, for property taxes for Debt Service revenue collected more than was paid for debt service expenses. The over collected debt service revenue for prior years was approved for general purposes of the Agency at a public hearing during 2013.
- Capital assets purchased for the year were \$500,521. The major components of these additions were:
  - Greenbelt improvements - \$1,028
  - Clubhouse improvements - \$4,005
  - Basketball court improvements - \$11,095
  - 28 Acre Park construction costs - \$306,052
  - Equipment - \$109,717
  - Golf course improvements - \$41,000
  - Cemetery improvements - \$27,624
- There was no additional debt incurred.

**General Fund Amended Budget**

The budget of the general fund was amended by the Board of Trustees on December 11, 2013 for the reasons described below:

- **Property tax revenue:** We lowered the amount in the budget because we felt that the amount would be lower due to the fact that we certified at a lower rate than we had originally anticipated.
- **Charges for Services:** We increased the amounts in these lines because of the closing of the Deseret Peak pool. We knew that we would have significantly increased use at our pool.
- **Interest income:** As the year came to a close we realized that we had earned more interest than originally anticipated.
- **Clubhouse expenditures:** We had unexpected expenses come up in the maintenance of the clubhouse.
- **Golf Course expenditures:** We were able to fund more improvements on the golf course than we had originally planned
- **Greenbelt:** We had greater than anticipated expenses in the maintenance of the green belts.
- **Transfers out:** Funds were transferred to the Capital Projects Fund to fund additional future projects

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2013

**Economic Factors and Next Year's Budgets**

- Property tax revenues are increasing due to increased value.
- Impact fee revenues are increasing due to increases in new home construction.

These indicators were taken into account when adopting the budgets for 2014.

**Contacting the Service Agency's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Stansbury Service Agency of Tooele County's finances and to demonstrate the Service Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Stansbury Service Agency, 1 Country Club, Suite 1, Stansbury Park, UT 84074, phone 435-882-6188.

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
STATEMENT OF NET POSITION  
DECEMBER 31, 2013

<b>ASSETS</b>	<b>Governmental Activities</b>
Current assets:	
Cash and cash equivalents - unrestricted	\$ 1,215,638
Cash and cash equivalents - restricted	596,060
Property taxes receivable	326,804
Other governmental entity - impact fees receivable	67,500
Other receivables	<u>4,537</u>
Total current assets	<u>2,210,539</u>
Capital assets:	
Land and construction in progress	17,862,104
Other capital assets, net of depreciation	<u>2,534,365</u>
Total capital assets:	<u>20,396,469</u>
Total Assets	<u>22,607,008</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	20,303
Accounts payable from restricted assets	251,396
Accrued expenses	<u>13,189</u>
Total current liabilities	<u>284,888</u>
<b>NET POSITION</b>	
Net investment in capital assets	20,396,469
Restricted for:	
Impact fees	412,164
Unrestricted	<u>1,513,487</u>
Total net position	<u>\$ 22,322,120</u>

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

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Capital Grants and Contributions	
Governmental activities:				
General government	\$ 278,039	\$ 8,195	\$ 56,000	\$ (213,844)
Park	243,258	-	237,150	(6,108)
Clubhouse	96,054	27,855	-	(68,199)
Pool	127,346	46,196	-	(81,150)
Golf course	54,760	21,148	-	(33,612)
Lake	55,754	-	-	(55,754)
Greenbelt	139,064	-	-	(139,064)
Cemetery	2,119	88,700	-	86,581
Total governmental activities	996,394	192,094	293,150	(511,150)
General revenues				990,532
Property taxes - general				(1,097)
Loss on disposal of asset				2,576
Interest allocated to impact fees				7,095
Interest				999,106
Total general revenues				487,956
Change in net position				21,834,164
Net position - beginning				\$ 22,322,120
Net position - ending				

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

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2013

<b>ASSETS</b>	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total</u>
Cash and cash equivalents - unrestricted	\$ -	\$ 1,215,638	\$ 1,215,638
Cash and cash equivalents - restricted	-	596,060	596,060
Property taxes receivable	326,804	-	326,804
Other governmental entity - impact fees receivable	-	67,500	67,500
Other receivables	4,537	-	4,537
Due from other funds	<u>-</u>	<u>172,786</u>	<u>172,786</u>
 Total assets	 <u>\$ 331,341</u>	 <u>\$ 2,051,984</u>	 <u>\$ 2,383,325</u>
 <b>LIABILITIES</b>			
Accounts payable	\$ 20,303	\$ -	\$ 20,303
Accounts payable from restricted assets	-	251,396	251,396
Accrued expenses	13,189	-	13,189
Due to other funds	<u>172,786</u>	<u>-</u>	<u>172,786</u>
 Total current liabilities	 <u>206,278</u>	 <u>251,396</u>	 <u>457,674</u>
 <b>FUND BALANCES</b>			
Restricted	-	412,164	412,164
Assigned	-	1,388,424	1,388,424
Unassigned	<u>125,063</u>	<u>-</u>	<u>125,063</u>
 Total fund balances	 <u>125,063</u>	 <u>1,800,588</u>	 <u>1,925,651</u>
 Total liabilities and fund balances	 <u>\$ 331,341</u>	 <u>\$ 2,051,984</u>	 <u>\$ 2,383,325</u>

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

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION  
DECEMBER 31, 2013

Total governmental funds balances	\$ 1,925,651
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>20,396,469</u>
Net position of governmental activities	<u>\$ 22,322,120</u>

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

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues			
Impact fees	\$ -	\$ 237,150	\$ 237,150
Property taxes	990,532	-	990,532
Capital grants	-	56,000	56,000
Charges for services	170,945	-	170,945
Rental income	21,148	-	21,148
Interest allocated to impact fees	-	2,576	2,576
Interest	<u>7,096</u>	<u>-</u>	<u>7,096</u>
Total revenues	<u>1,189,721</u>	<u>295,726</u>	<u>1,485,447</u>
Expenditures			
Current:			
General government	327,455	-	327,455
Park	146,724	-	146,724
Clubhouse	87,867	-	87,867
Pool	119,820	-	119,820
Golf course	12,707	-	12,707
Lake	47,595	-	47,595
Greenbelt	110,370	-	110,370
Capital outlay:			
Park	-	317,148	317,148
Clubhouse	-	4,005	4,005
Golf course	-	41,000	41,000
Cemetery	-	27,624	27,624
Greenbelt	<u>-</u>	<u>1,027</u>	<u>1,027</u>
Total expenditures	<u>852,538</u>	<u>390,804</u>	<u>1,243,342</u>
Excess of revenues over expenditures	<u>337,183</u>	<u>(95,078)</u>	<u>242,105</u>
Other financing sources (uses)			
Transfers in	-	843,710	843,710
Transfers out	<u>(843,710)</u>	<u>-</u>	<u>(843,710)</u>
Total other financing sources (uses)	<u>(843,710)</u>	<u>843,710</u>	<u>-</u>
Net change in fund balance	(506,527)	748,632	242,105
Fund balance beginning of year	<u>631,590</u>	<u>1,051,956</u>	<u>1,683,546</u>
Fund balance end of year	<u>\$ 125,063</u>	<u>\$ 1,800,588</u>	<u>\$ 1,925,651</u>

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



STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

Excess of revenues over expenditures - governmental funds \$ 242,105

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 the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

245,851

Change in net position of governmental activities

\$ 487,956

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

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL GOVERNMENT  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 957,873	\$ 901,481	\$ 990,532	\$ 89,051
Charges for services	57,500	168,125	170,945	2,820
Rental income	20,000	20,000	21,148	1,148
Interest	4,000	6,200	7,096	896
<b>Total revenues</b>	<u>1,039,373</u>	<u>1,095,806</u>	<u>1,189,721</u>	<u>93,915</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	538,912	593,912	327,455	266,457
Park	89,684	116,684	146,724	(30,040)
Clubhouse	68,000	89,000	87,867	1,133
Pool	76,400	129,500	119,820	9,680
Golf course	30,000	13,000	12,707	293
Lake	32,000	32,000	47,595	(15,595)
Greenbelt	22,000	28,000	110,370	(82,370)
<b>Total expenditures</b>	<u>856,996</u>	<u>1,002,096</u>	<u>852,538</u>	<u>149,558</u>
<b>Excess of revenues over expenditures</b>	182,377	93,710	337,183	243,473
<b>Other financing sources (uses)</b>				
Transfers out	(182,377)	(843,710)	(843,710)	-
<b>Total other financing sources (uses)</b>	<u>(182,377)</u>	<u>(843,710)</u>	<u>(843,710)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>(750,000)</u>	<u>(506,527)</u>	<u>243,473</u>
<b>Fund balance beginning of year</b>	<u>631,590</u>	<u>631,590</u>	<u>631,590</u>	<u>-</u>
<b>Fund balance end of year</b>	<u>\$ 631,590</u>	<u>\$ (118,410)</u>	<u>\$ 125,063</u>	<u>\$ 243,473</u>

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

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**NOTE 1. SUMMARY OF ACCOUNTING POLICIES**

Stansbury Service Agency of Tooele County (the Agency), was created in 1992 by an Interlocal Agreement between Stansbury Recreation Service Area of Tooele County and Stansbury Greenbelt Service Area of Tooele County, both political subdivisions of the State of Utah created by authority of the Utah County Service Area Act, Code 17A-2-401. The Agency is a separate entity of government and, as such, is subject to providing Greenbelt and Recreation services to the Stansbury Park area. The Board members are elected by vote of Stansbury Park property owners.

The Agency's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

The more significant of the government's accounting policies are described below.

**A. The Reporting Entity**

The Agency follows the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, to define the reporting entity. The financial statements include all operations over which the Agency is financially accountable. The Agency is not a participant in any joint venture and has not identified any entities which would be component units of the Agency.

The Agency is not a component unit of Tooele County.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the Agency's activities. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as *general revenues*.

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

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**NOTE 1. SUMMARY OF ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus and Basis of Accounting**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures are recorded only when payment is due.

Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due or past due, and received within the current period or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period.

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

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**NOTE 1. SUMMARY OF ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus and Basis of Accounting (continued)**

USE OF RESTRICTED FUNDS

When both restricted and unrestricted (committed, assigned, or unassigned) resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed. The order in which unrestricted resources are expended is in the following order: 1) committed, 2) assigned and 3) unassigned.

The Agency reports the following major governmental funds:

GENERAL FUND

The General Fund is the general operating fund of the Agency. It is used to account for all financial resources except those accounted for in another fund.

CAPITAL PROJECTS FUND

The capital projects fund is used to account for resources to be used for capital projects.

**D. Other Accounting Policies**

Encumbrance accounting is not maintained by the Agency. Due to the size of the Agency, maintaining files is considered adequate to keep track of purchase orders, contracts, and other commitments. The Agency recognizes a liability for accumulated unpaid vacation for eligible employees. As of December 31, 2013, the liability was \$5,034.

**E. Impact Fees**

The Agency imposes impact fees for the development of open space, trails, recreation facilities and parks for the Stansbury Park area. The Agency adopted a capital facilities plan to determine the construction costs for calculating the amount of the impact fees. The Agency accounts for all impact fees by depositing them into a separate interest bearing account.

Impact fees amounting to \$237,150 were recognized in revenue and \$67,500 were available at Tooele County Assessor but not yet remitted as of December 31, 2013.

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**NOTE 1. SUMMARY OF ACCOUNTING POLICIES (Continued)**

**E. Impact Fees (Continued)**

For the year ended December 31, 2013, the Agency expended \$263,596 for capital improvements from impact fees. The Agency is required to refund all impact fees, plus interest, if they have not expended the collected impact fees according to the capital facilities plan within six years of their receipt. The Agency is not liable for any refunds at December 31, 2013.

**F. Budgets and Budgetary Accounting**

The Agency follows these procedures in establishing the budgetary date reflected in the financial statements:

1. By the first regular scheduled board meeting in November, a proposed operating budget is submitted for the year commencing the following January 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. By December 15th, the budget is legally enacted through passage of an ordinance.
4. The Board approves, by ordinance, total budget appropriations only. The Treasurer is authorized to transfer budget amounts between line items within the fund; however, any revisions that alter the total appropriations of any fund must be approved by the Board. The Agency must hold a hearing to alter the total expenditures of the general fund. Therefore, the level of budgetary responsibility is total appropriations; however, for report purposes, this level has been expanded to a functional basis.
5. Unused appropriations for all of the above annually budgeted funds lapse at the end of year.
6. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**NOTE 1. SUMMARY OF ACCOUNTING POLICIES (Continued)**

**G. Estimates and Assumptions**

The Agency uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

**H. Property Tax Calendar**

Property taxes attach as an enforceable lien on property as of January 1st. Taxes are levied on June 15th and are due November 30th.

**I. Risk Management**

The Agency purchases insurance from an independent carrier to provide worker's compensation coverage and general liability and property insurance. There were no significant reductions in insurance coverage from the prior year.

**J. Net Position/Fund Balances**

The difference between assets and liabilities is "Net Position" on the government-wide and "Fund Balance" on the governmental fund financial statements. Net position is divided into invested in capital assets (net of related debt), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon them by external parties or are imposed by constitutional provisions or enabling legislation.

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, committed, assigned or unassigned.

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

Restricted fund balance classification includes amounts that are restricted if (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance classification includes those funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, which is the Board of Trustees of the Agency.

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**NOTE 1. SUMMARY OF ACCOUNTING POLICIES (Continued)**

Assigned fund balance classification includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Trustees of the Agency has retained authority to assign amounts to specific purposes which have been approved in the adopted budget.

Unassigned fund balance classification represents fund balance that has not been assigned to other funds and that has not been restricted committed, or assigned to specific purposes.

When both restricted and unrestricted sources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

When committed, assigned, or unassigned sources are available for use, it is the Agency's policy to use committed resources first, assigned resources second, then unassigned resources as they are needed.

**NOTE 2. CASH AND CASH EQUIVALENTS**

The Agency considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents. Following are the components of the Agency's cash and investments at December 31, 2013:

Cash and cash equivalents - unrestricted	\$ 1,215,638
Cash and cash equivalents - restricted	<u>596,060</u>
 Total	 <u>\$ 1,811,698</u>

Deposits

At December 31, 2013, the carrying amount of the Agency's deposits was \$3,890 and the bank balance was \$20,167, the full balance is under the \$250,000 covered by the NCUA. Deposits are not collateralized nor are they required to be by state statute. However, the State Commissioner of Financial Institutions monitors financial institutions and establishes limits for deposit of public money at individual financial institutions, and the Agency follows these recommendations.



STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013

**NOTE 2. CASH AND CASH EQUIVALENTS (Continued)**

The Agency follows the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Section 51, Chapter 7) in handling its depository and temporary investment transactions. This law requires the deposit of Agency funds in a “qualified depository”. The Act defined a “qualified depository” as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Investment

At December 31, 2013, the Agency’s investments balances were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u>
Utah Public Treasurer’s Investment Fund	\$1,807,808	N/A	Unrated

*Interest Rate Risk.* The Agency has no policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Agency invests in the Utah Public Treasurer’s Investment Fund which is short term.

*Credit Risk.* The Agency has no policy regarding credit risk. The investment in the Utah Public Treasurer’s Investment Fund is unrated. These monies are invested primarily in money market securities.

*Custodial Credit Risk.* For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments that are in the possession of an outside party. To limit its exposure to this risk, the Agency tries to limit its deposits in each depositor to the FDIC or NCUA insured limits.

*Concentration of Credit Risk.* The Agency places no limit on the amount that the Agency may invest in any one issuer. The Agency has no concentration of credit risk.

The Utah Public Treasurer’s Investment Fund (UPTIF) is an external deposit and investment pool wherein governmental entities are able to pool the monies from several entities to improve investment efficiency and yield. These monies are invested primarily in money market securities and contain no withdrawal restrictions. As such, the monies invested in this fund are not insured and are subject to the same market risks as any similar investment in money market funds. The Fund is not SEC registered nor is it rated. The fair value of the Agency’s position in the fund is the same as the value of the fund shares.

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**NOTE 2. CASH AND CASH EQUIVALENTS (Continued)**

Restricted Assets

Capital Projects Fund – The restricted cash of \$596,060 consists of reserves from impact fees received and funds for construction to be used only for the purpose defined by contract or under legal provisions.

**NOTE 3. SUMMARY OF CHANGES IN FIXED ASSETS**

The Agency used the straight line method of depreciation over estimated lives of three to twenty-five years. Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. For the year ended December 31, 2013, depreciation expense was \$252,073. A summary of the fixed assets is as follows:

	<u>12/31/12</u>	<u>Additions</u>	<u>Disposals/ Reclass</u>	<u>12/31/13</u>
<b>Capital assets not being depreciated</b>				
Land	\$ 15,134,968	\$ -	\$ -	\$ 15,134,968
Construction in progress	<u>2,614,651</u>	<u>316,363</u>	<u>(203,878)</u>	<u>2,727,136</u>
Total capital assets not being depreciated	17,749,619	316,363	(203,878)	17,862,104
<b>Capital assets being depreciated:</b>				
Land Improvements	156,939	-	-	156,939
Greenbelt improvements	518,454	1,028	-	519,482
Buildings	792,000	4,005	-	796,005
Building improvements	38,809	-	-	38,809
Equipment and vehicles	581,754	109,717	(12,986)	678,485
Parks	1,520,716	17,313	119,116	1,657,145
Cemetery improvement	-	-	84,762	84,762
Recreation facilities	<u>6,385,485</u>	<u>52,095</u>	<u>-</u>	<u>6,437,580</u>
Total capital assets being depreciated	9,994,157	184,158	190,892	10,369,207
Less: Accumulated depreciation	<u>(7,593,158)</u>	<u>(252,073)</u>	<u>10,389</u>	<u>(7,834,842)</u>
Total capital assets being depreciated, net	<u>2,400,999</u>	<u>(67,915)</u>	<u>201,281</u>	<u>2,534,365</u>
Capital assets, net	<u>\$ 20,150,618</u>	<u>\$ 248,448</u>	<u>\$ (2,597)</u>	<u>\$ 20,396,469</u>

STANSBURY SERVICE AGENCY OF TOOELE COUNTY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

**NOTE 3. SUMMARY OF CHANGES IN FIXED ASSETS (Continued)**

Depreciation is reported in the following functions:

General government	\$ 58,801
Park	96,534
Clubhouse	8,187
Pool	7,526
Golf course	42,053
Lake	8,159
Cemetery	2,119
Greenbelt	<u>28,694</u>
	<u>\$ 252,073</u>

**NOTE 4. GOVERNMENTAL FUND BALANCE CLASSIFICATIONS AND RESTRICTED NET POSITION**

\$412,164 is reported as restricted net position in the government-wide statement of activities and restricted fund balance in the capital projects fund. This is the amount of impact fees collected and not yet expended. All of the restricted net position is restricted by enabling legislation. The capital projects fund also reports \$1,388,424 of assigned fund balance, which is the amount set aside by the Board of Trustees, for future projects. The Board of Trustees is the highest level of authority within the Agency. Formal Board resolution is required to commit Agency funds.

**NOTE 5. INTERFUND BALANCES**

During the year ended December 31, 2013, the Board of Trustees approved a transfer of \$843,710 from the general fund to the capital projects fund. This transfer is for the purpose of funding future capital projects approved by the Board. At December 31, 2013, \$172,786 is due to the Capital Projects fund from the General Fund. The purpose of the interfund balance is to meet the ongoing cash needs of the Agency.

**NOTE 6. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the auditor's report date, which is the date the financial statements were available to be issued. There were no subsequent events to disclose.